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A MONTHLY MAGAZINE OF

The New York Times

PUBLISHED BY THE NEW YORK TIMES COMPANY, TIMES SQUARE, NEW YORK, N. Y.

Vol. XIV., No. 3

JUNE, 1921

35 Cents a Copy
\$4.00 a Year

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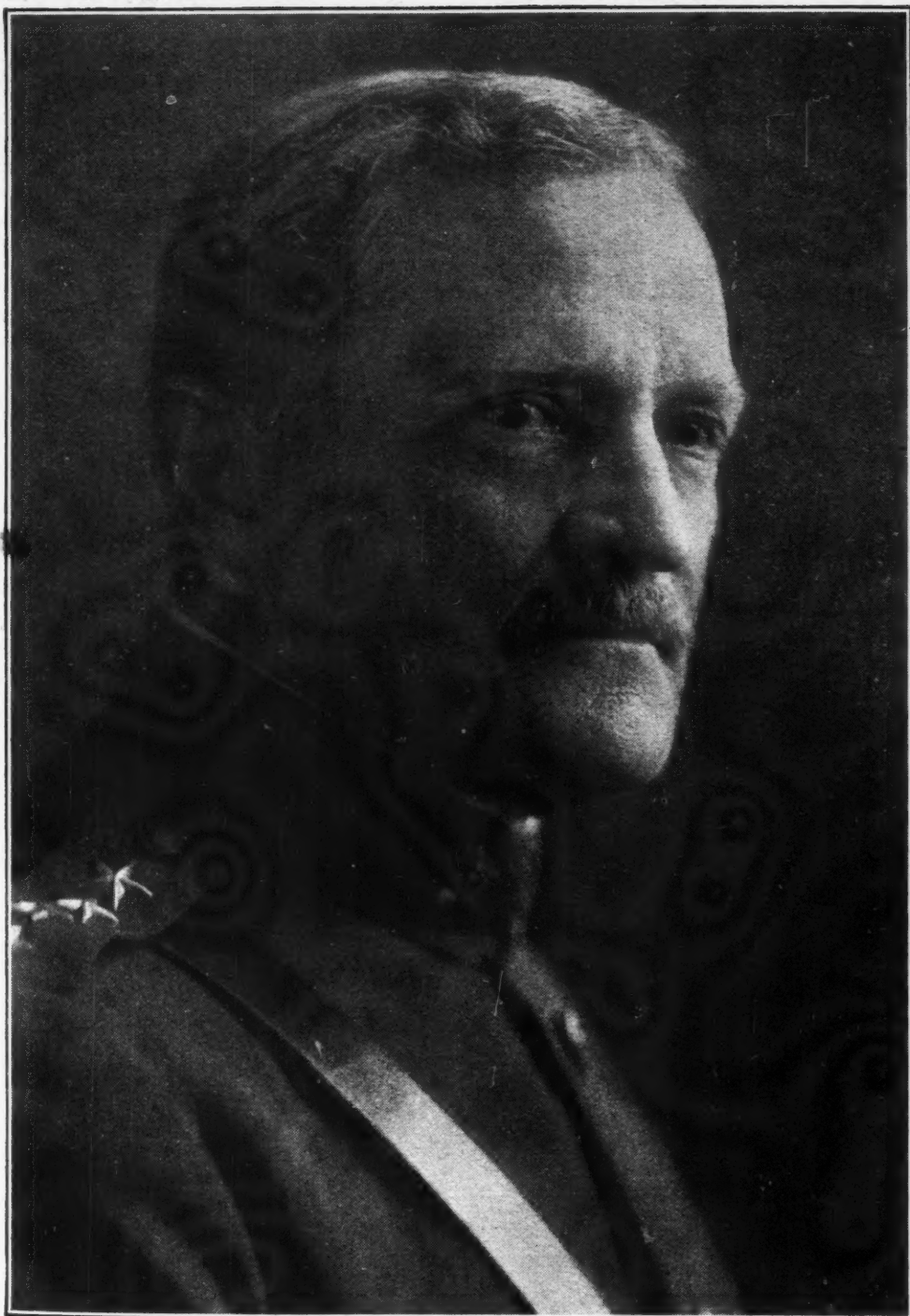
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(© Harris & Ewing)

GENERAL JOHN J. PERSHING

*Latest photograph of the commander of the American forces in the World War,
who has just been made Chief of the General Staff*



DR. JULIUS WIRTH

*The new German Chancellor, head of the Ministry that succeeded Fehrenbach's,
and that accepted the allied indemnity terms*

GERMANY'S SURRENDER ON REPARATIONS

Detailed story of the allied ultimatum that brought about Germany's final agreement to pay a damage bill of \$33,000,000,000 and saved the Ruhr industrial district from French occupation—Germany's vain attempt to obtain American intervention—Why France still declines to demobilize her new army on the Rhine—Full text of the ultimatum

THE interminable reparation drama reached its climax and dénouement on May 11, 1921, when Germany, in response to an allied ultimatum and an imminent threat of action by a French army, finally agreed to pay a total sum of \$33,000,000,000 for damage done by the German armies in the World War. This act of surrender was performed by a new German Government, headed by Dr. Julius Wirth, which replaced the Fehrenbach Government for the purpose. The terms had been drawn up by the allied Premiers in London, and transmitted in the form of an ultimatum, the essence of which was that if they were not accepted unconditionally by May 12 the whole Ruhr district, Germany's coal centre and industrial heart, would be occupied by the French Army supported by allied contingents, and held and administered as a guarantee for the payment of Germany's reparation debt. Such an occupation, already effected in part by the Allies, meant ruin to Germany, and she knew it. She had come to the end of her road, had her back to the wall, and could go no further. She accepted the new terms unconditionally, and the allied Premiers, to say nothing of Germany herself, breathed a deep sigh of relief.

The history of the allied dealings with Germany over the question of reparation covers fully two years. Conference after conference was held by the Premiers—at Spa, San Remo, Lympne, Hythe, Paris and London—to determine what the reparation payments should be, and how the Allies should move to compel Germany to make them. Plan after plan was adopted, only to be subsequently abandoned in view of Germany's attitude of unwillingness, her protests, her evasions, and her repeated failure to keep her promises.

At the London conference, held in Paris

in March, the allied leaders had laid down what they believed at that time were their final terms. Germany had countered with offers which were considered by all the Premiers as ridiculous. Dr. Walter Simons, the German Foreign Minister, declared that he could make no new offer, and he was told by Lloyd George in plain language that this meant the application of the penalties prescribed by the Treaty of Versailles. Dr. Simons returned to Germany and was received with cheers. France moved her army forward in the Rhineland, extending its occupation to Düsseldorf, Duisberg and Ruhrort; this, however, had no visible effect upon the German attitude of refusal. The French then announced that, with or without the support of their allies, they would occupy the whole Ruhr district by May 1 unless they received an unconditional acceptance of the London terms. Lloyd George was reluctant to proceed to this extremity, and his reluctance was reflected by Count Sforza, the Italian representative; France, however, was resolute. Grimly M. Briand, the French Premier, supported by almost unanimous French public opinion, awaited the coming of May.

Germany on April 21, in a last desperate effort to stave off intervention, sent an appeal to the United States Government to act as mediator. President Harding in reply declined to play the rôle of arbitrator, but stated that if Germany would make a new, reasonable offer, he would approach the allied Governments in the interest of world peace and strive to induce them to consider it. Greatly encouraged, Dr. Simons, the Foreign Minister, and Herr Fehrenbach, the Premier, whose Cabinet was already tottering from the violent attacks of the German reactionaries, drafted a new offer and cabled it to Washington. Its main features

were an offer to pay 50,000,000,000 gold marks and a demand for the removal of all penalties.

After careful consideration, reinforced with informal soundings of the Allies, the American President, through Secretary Hughes, cabled back to Germany that the new proposals were wholly unacceptable, and advised Germany to enter at once into direct contact with the allied Governments and to lay before them an adequate and satisfactory offer. The weakened Fehrenbach-Simons Cabinet was finished by this blow. It fell May 4. Meanwhile the Premiers met in London on the eve of the new occupation, and after six days' deliberations drafted a new plan of reparation payments, which was to be the ultimate word. Mr. Lloyd George and Count Sforza prevailed upon M. Briand to defer the invasion for another twelve days and to give Germany one last opportunity to comply with the allied demands. He consented unwillingly, fearful of the effect upon French opinion, which clamored for the invasion. The Premiers drew up their last offers and dispatched them to Germany in ultimatum form. The Germans were told that these proposals must be accepted without reservation by May 12 or the Ruhr district would be invaded and held.

TEXT OF THE ULTIMATUM

The ultimatum was handed on May 6 to Herr Sthamer, the German Ambassador in London, by Lloyd George in person. Its text was as follows:

The allied powers, taking note of the fact that despite the successive concessions made by the Allies since the signature of the Treaty of Versailles, and despite the warnings and sanctions (penalties) agreed upon at Spa and Paris, as well as of the sanctions announced at London and since applied, the German Government is still in default in fulfillment of the obligations incumbent upon it under the terms of the Treaty of Versailles as regards:

First, disarmament;

Second, the payment due May 1, 1921, under Article 235 of the Treaty, which the Reparation Commission already has called upon it to make at this date;

Third, the trial of war criminals, as further provided for by the allied notes of Feb. 13 and May 7, 1920, and,

Fourth, certain other important respects, notably those which arise under Articles 264 to 267, 269, 273, 321, 322 and 327 of the treaty, decide:

(a) To proceed from today with all necessary preliminary measures for the occupa-

tion of the Ruhr Valley by allied troops on the Rhine under the conditions laid down.

(b) In accordance with Article 235 of the Versailles Treaty, to invite the Allied Reparation Commission to notify the German Government without delay of the time and methods for the discharge by Germany of her debt, and to announce its decision on this point to the German Government by May 6, at the latest.

(c) To summon the German Government to declare categorically within six days after receiving the above decision its determination (1) to execute without reservation or condition its obligations as defined by the Reparation Commission, (2) to accept and realize without reservation or condition in regard to its obligations the guarantees prescribed by the Reparation Commission, (3) to execute without reservation or delay measures concerning military, naval and aerial disarmament, of which Germany was notified by the allied nations in their note of Jan. 29; those measures in the execution of which they have so far failed to comply with are to be completed immediately, and the remainder on a date still to be fixed, (4) to proceed without reservation or delay to the trial of war criminals, and also with the other parts of the Versailles Treaty which have not as yet been fulfilled.

(d) To proceed on May 12 with the occupation of the Ruhr Valley, and to undertake all other military and naval measures, should the German Government fail to comply with the foregoing conditions. This occupation will last as long as Germany continues her failure to fulfill the conditions laid down.

This ultimatum note was accompanied by the full allied terms, as laid down by the Reparation Commission, prescribing the time and manner for discharging the entire obligation. Briefly stated, they amount to this: Germany must pay the 132,000,000,000 gold marks (\$33,000,000,000) fixed by the Reparation Commission in accordance with the provisions of the Versailles Treaty, less sums already paid on the reparations account or subsequently credited on whatsoever basis.

To cover the whole payment, three sets of bonds are to be issued by Germany, secured on all the assets of the German Empire. The first issue is to be delivered by July 1, 1921; the second by Nov. 1; the third issue is to be held by the Reparations Commission until it is satisfied that Germany can pay the interest and sinking fund charges required. Interest payments are provided for at fixed periods. Until redemption of the bonds, Germany is to pay a yearly sum of 2,000,000,000 gold marks (\$500,000,000), as well as a 26 per cent. levy, or an equivalent sum, on the value of her exports as from

May 1, 1921; this amount is to be reducible as Germany discharges her obligations.

Within twenty-five days Germany must pay 1,000,000,000 marks in gold or in three-month bills or drafts; these payments are to be treated as the first two quarterly instalments due on Germany's liability of 2,000,000,000 marks yearly, with the 26 per cent. of exports, as above provided.

The other clauses concern mainly the appointment and duties of the special sub-commission, called the Commission on Guarantees, whose duty it will be to supervise the application of the funds assigned as security for the bond issues. These funds will be drawn from German maritime and land customs duties and import and export duties, as well as from the 26 per cent. prescribed on export duties, from indirect taxes or from any other source proposed by the German Government. This 26 per cent. is to be paid by the German Government to the exporter. The commission is explicitly charged not to interfere with the administration of the German Government.

THE ALLIED TERMS

The full text of the reparations protocol is given below:

The Reparation Commission has, in accordance with Article 232 of the Treaty of Versailles, to define the time and manner for securing and discharging the entire obligation of Germany for reparation under Articles 231, 232 and 233 of the treaty, as follows:

This determination is without prejudice to the duty of Germany to make restitution under Article 238 or to other obligations under the treaty.

1. Germany will perform in the manner laid down in this schedule her obligation to pay the total fixed in accordance with Articles 231, 232 and 233 of the Treaty of Versailles by the commission, viz., 132,000,000,000 gold marks less (a) the amount already paid on account of reparation; (b) sums which may from time to time be credited to Germany in respect of State properties in ceded territory, &c., and (c) any sums received from other enemy or ex-enemy powers in respect of which the commission may decide that credit should be given to Germany, plus the amount of the Belgian debt to the Allies, the amounts of these deductions and additions to be determined later by the commission.

2. Germany shall create and deliver to the commission in substitution for bonds already delivered or delivered under Paragraph 12C of Annex 2, Part VIII, Treaty of Versailles, bonds hereafter described:

(A) Bonds for the amount of 12,000,000,000

gold marks. These bonds shall be created and delivered at the latest on July 1, 1921. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from May 1, 1921, equal in amount to 6 per cent. of the nominal value of the issued bonds, out of which there shall be paid interest at 5 per cent. per annum, payable half yearly on the bonds outstanding at any time, and the balance to a sinking fund for redemption of bonds by annual drawings at par. These bonds are hereinafter referred to as bonds of Series A.

(B) Bonds for a further amount of 38,000,000,000 gold marks. These bonds shall be created and delivered at the latest on Nov. 1, 1921. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from Nov. 1, 1921, equal in amount to 6 per cent. of the nominal value of the issued bonds, out of which there shall be paid interest at 5 per cent. per annum, payable half yearly, on the bonds outstanding at any time and the balance to a sinking fund for the redemption of the bonds by annual drawings at par. These bonds are hereinafter referred to as bonds of Series B.

(C) Bonds for 82,000,000,000 gold marks, subject to such subsequent adjustment by creation or cancellation of bonds as may be required under the first paragraph. These bonds shall be created and delivered to the Reparations Commission, without coupons attached, at the latest on Nov. 1, 1921. They shall be issued by the commission as and when it is satisfied that the payments which Germany is required to make in pursuance of this schedule are sufficient to provide for the payment of interest and sinking fund on such bonds. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from the date of issue by the Reparation Commission equal in amount to 6 per cent. of the nominal value of the issued bonds, out of which shall be paid interest at 5 per cent. per annum, payable half yearly, on the bonds outstanding at any time, and the balance to a sinking fund for redemption of the bonds by annual drawings at par. The German Government shall supply to the commission coupon sheets for such bonds as and when issued by the commission. These bonds are hereinafter referred to as bonds of Series C.

3. The bonds provided for in Article 2 shall be signed by the German Government as bearer bonds, in such form and in such denominations as the commission shall prescribe for the purpose of making them marketable and shall be free of all German taxes and charges of every description, present or future.

Subject to the provisions of Articles 248 and 251, Treaty of Versailles, these bonds shall be secured on the whole assets and revenues of the German Empire and the German States, and in particular on the assets and revenues specified in Article 7 of

this schedule. The service of bonds A, B and C shall be a first, second and third charge, respectively, on said assets and revenues, and shall be met by payments to be made by Germany under this schedule.

4. Germany shall pay in each year until the redemption of bonds provided for in Article 2 by means of a sinking fund attached thereto: (1) The sum of 2,000,000,000 gold marks. (2) (a) A sum equivalent to 25 per cent. of the value of her exports in each period of twelve months, starting from May 1, 1921, as determined by the commission, or (b) alternately an equivalent amount as fixed in accordance with any other index proposed by Germany and accepted by the commission. (3) A further sum equivalent to 1 per cent. of the value of her exports, as above defined, or, alternatively, an equivalent amount fixed as provided in Paragraph B above. Provided always that when Germany shall have discharged her obligations under this schedule, other than her liability in respect of outstanding bonds, the amount to be paid in each year under this paragraph shall be reduced to the amount required in that year to meet the interest and sinking fund on the bonds then outstanding.

Subject to the provisions of Article 5, the payments to be made in respect of Paragraph 1 above shall be made quarterly on or before Jan. 15, April 15, July 15 and Oct. 15 each year, and payments in respect of Paragraphs 2 and 3 above shall be made quarterly on or before Feb. 15, May 15, Aug. 15 and Nov. 15 and calculated on the basis of exports in the last quarter but one preceding that quarter, the first payment to be made on or before Nov. 15, 1921, to be calculated on the basis of exports in the three months ending July 31, 1921.

5. Germany shall pay within twenty-five days from this notification 1,000,000,000 gold marks, in gold or approved foreign currencies or approved foreign bills or in drafts at three months on the German Treasury, endorsed by approved German banks and payable in pounds sterling in London, in francs in Paris, in dollars in New York or any currency in any other place designated by the commission. These payments will be treated as the two first quarterly instalments of payments provided in Article 4, Paragraph 1.

6. The commission will within twenty-five days from this notification, in accordance with Paragraph 12A, Annex 2, of the treaty as amended, establish a special sub-commission to be called the Committee on Guarantees. The Committee on Guarantees will consist of representatives of the allied powers now represented on the Reparation Commission, including a representative of the United States in the event of that Government desiring to make an appointment.* The committee shall comprise not more than three representatives of nationals of other powers whenever it shall appear to the commission that a sufficient portion of the bonds to be issued under this schedule is held by na-

tionals of such powers to justify their representation on the Committee on Guarantees.

7. The Committee on Guarantees is charged with the duty of securing the application of Articles 241 and 248 of the Treaty of Versailles.

It shall supervise the application to the service of the bonds provided for in Article II, of the funds assigned as security for the payments to be made by Germany under Paragraph 4. The funds to be assigned shall be: (a) The proceeds of all German maritime and land customs and duties, and in particular the proceeds of all import and export duties. (b) Proceeds of a levy of 25 per cent. on the value of all exports from Germany except those exports upon which a levy of not less than 25 per cent. is applied under legislation referred to in Article IX. (c) The proceeds of such direct or indirect taxes or any other funds as may be proposed by the German Government and accepted by the Committee on Guarantees in addition to, or in substitution for, the funds specified in a or b above.

The assigned funds shall be paid to the accounts to be opened in the name of the committee and supervised by it in gold or in foreign currencies approved by the committee. The equivalent of the 25 per cent. levy referred to under (b) of the preceding paragraph shall be paid in German currency by the German Government to the exporter.

The German Government shall notify to the Committee on Guarantees any proposed action which may tend to diminish the proceeds of any of the assigned funds and shall, if the committee demands it, substitute some other approved funds.

The Committee on Guarantees shall be charged further with the duty of conducting on behalf of the commission the examination provided for in Paragraph 12 B of Annex 2 to Part VIII. of the Treaty of Versailles, and of verifying on behalf of the commission and, if necessary, of correcting the amount declared by the German Government as the value of German exports for the purpose of calculation of the sum payable in each year or quarter under Article IV., Paragraph 2, and the amounts of the funds assigned under this article to the service of the bonds. The committee shall be entitled to take such measures as it may deem necessary for the proper discharge of its duties.

The Committee on Guarantees is not authorized to interfere in the German administration.

8. In accordance with Paragraph 19, Clause 2 of Annex 2, as amended, Germany shall on demand, subject to prior approval of the commission, provide such material and labor as any of the allied powers may require

* A formal invitation to the United States Government to send representatives to all future allied conferences was sent by the Entente powers on May 5. President Harding's acceptance was transmitted on the following day, and Roland W. Boyden was designated to act as official observer with the Reparation Commission.

toward restoration of the devastated areas of that power, or enable any allied power to proceed with the restoration or the development of its industrial or economic life. The value of such material and labor shall be determined in each case by a valuer appointed by Germany and a valuer appointed by the power concerned and, in default of an agreement, by a referee nominated by the commission. This provision as to valuation does not apply to deliveries under Annexes 3, 4, 5 and 6 to Part VIII. of the treaty.

9. Germany shall make every necessary measure of legislative and administrative action to facilitate the operation of the German Reparation (Recovery) act of 1921 in force in the United Kingdom and of any similar legislation enacted by any allied power so long as such legislation remains in force.*

The payments effected by the operation of such legislation shall be credited to Germany on account of payments to be made by her under Article IV., Clause 2. The equivalent in German currency shall be paid by the German Government to the exporter.

10. Payment for all services rendered, all deliveries in kind and all receipts under Article IX. shall be made to the Reparation Commission by the allied power receiving the same in cash or current coupons within one month of the receipt thereof and shall be credited to Germany on account of payments to be made by her under Article IV.

11. The sum payable under Article IV., Clause 3, and any surplus of receipts by the commission under Article IV., Clauses 1 and 2, in each year not required for payment of interest and sinking fund on bonds outstanding in that year, shall be accumulated and applied so far as they will extend, at such times as the commission may think fit, by the commission in paying simple interest not exceeding $2\frac{1}{2}$ per cent. per annum from May 1, 1921, to May 1, 1926, and thereafter at a rate not exceeding 5 per cent. on the balance of the debt not covered by bonds then issued. The interest on such balance of the debt shall not be cumulative. No interest therefor shall be payable otherwise than as provided in this paragraph.

12. The present schedule does not modify the provisions for securing the execution of the Treaty of Versailles which are applicable to the stipulations of the present schedule.

LLOYD GEORGE'S EXPLANATION

The whole scheme laid down in the above provisions was interpreted by Premier Lloyd George before the House of Commons on May 5. After an exposé of the general situation, covering all Germany's defaults in respect to payments pledged, as well as dis-

armament and the trial of war criminals, the Premier laid before the House the new plan which Germany was called upon to accept. The salient passages of his explanation follow:

I have first of all to mention the scheme of payment which has been agreed to by the Supreme Council and adopted by the Reparation Commission and which will be remitted by the Reparation Commission to the German representatives tonight.

The experts of the allied powers framed very carefully a scheme. The Paris scheme was one of forty-two annuities beginning at £100,000,000 per annum and increasing at intervals of two or three years until at the end of eleven years a maximum of £300,000,000 per annum would be reached. Those were fixed annuities, but in addition to that there was to be a variable sum equal to 12 per cent. on German exports.

The proposal of the London conference is that there should be one fixed sum, and that it should be £100,000,000, but that there should be a variable sum added to that per annum which would be equal to 26 per cent. of German exports. Whether that is higher or lower than the Paris proposal depends upon German prosperity. If German exports do not improve, then it will be considerably lower than the Paris total. If German exports approximate to pre-war figures it will be equal to the Paris figure, and only in the event of Germany becoming exceedingly prosperous will that figure exceed the Paris figure. The whole point of the new scheme is that Germany's annual liabilities will vary according to her capacity to discharge them.

In order to enable Germany to meet her liabilities and to adapt her liabilities to her capacity, and also to enable the Allies to have something in hand to raise money for reparations, it is proposed that three categories of bonds shall be issued.

The first, Series A, will be bonds for £600,000,000 gold, to be delivered by July 1. They will bear interest of 5 per cent. and 1 per cent. accumulating for a sinking fund. Series B bonds will be for 38,000,000,000 gold marks, equal to £1,900,000,000 gold, to be delivered by the first of September. Series C bonds for the balance, estimated at 82,000,000,000 gold marks, equal to £4,100,000,000, are to be delivered by the first of November, this year, but with this important reservation: That the commission is only to attach coupons and issue these bonds as and when it is satisfied that the payments to be made under the agreement are sufficient to provide for interest and sinking fund.

The first three series will be issued this year. The Reparation Commission will decide from time to time as to the capacity of Germany to pay and issue bonds accordingly.

Now I come to a very important question, which gave us a great deal of anxiety.

* It was later given out on German authority that the levy of 50 per cent. on German exports would be virtually suspended in favor of the 25 per cent. laid down by the new terms. No official allied action on this point had been announced when these pages went to press.—Ed.

It is clear that at first there will not be enough to pay interest upon the whole of the amount due. The debt is £6,600,000,000, and 6 per cent. upon that will be £400,000,000. Then comes the question, What is to be done with the interest in respect of the unissued bonds?

Under the treaty Germany was debited with interest at 5 per cent. upon the whole of the debt due from her, with certain powers given to the Reparation Commission to vary the amount. What is proposed to be done is this: That 25 per cent. of exports will be devoted to the payment of the bonds which will be issued. If there is a balance over that for any given year it is to be devoted to payment of interest upon the unissued bonds. But, in addition to that, 1 per cent. will be charged on exports, and the surplus over and above what is available for payment of bonds issued, plus 1 per cent. of the value of her exports, will be devoted to pay interest on unissued bonds.

Beyond that interest will be wiped out. It will not be debited to Germany. It won't accumulate as against her. That is a very important question.

Now I come to the method of payment. All those who have given real attention to this subject know that the practical difficulty with which we are confronted is for Germany to pay outside her frontiers. Payment of a debt of £6,600,000,000 is a serious matter inside one's own country, but to pay outside one's own country even a much smaller amount is baffling to the ingenuity of many financiers.

There will be, first of all, payments in kind. The first payment will be within twenty-five days, a payment of £50,000,000. Germany on the whole has accepted that in her communication to America. There will be no practical difficulty about that. It will be paid in gold, or three months' foreign bills, or Treasury grants endorsed by German banks on London, Paris and New York.

The next item of payment will be in kind—coal. It is coal to make up for the coal which would be produced at present if the French and Belgian mines had not been destroyed. There will also be aniline dyes, timber and material for the reconstruction of France. That I am very glad has been agreed to. I think it is a very sensible method.

To a certain extent there may be labor. That presents very exceptional difficulties, because there are trade unions in France as well as labor. I do not anticipate that there will be any very substantial sum derived from labor, but from material I think there will be a very substantial sum. These sums will aggregate very considerable and will extend over five or ten years. It will take this time at least. The process of reconstruction might take from five to ten years.

The next source of revenue is the duty of 25 per cent. on German exports. You can either collect in the country where the goods are received or collect in Germany. If any country prefers to collect on goods to its own

country in its own currency it can do so. Collection will not be in marks, but in the equivalent of gold—in bills. That depends entirely upon the recovery of Germany's trade. That trade before the war was over £500,000,000. The value of that at present would be somewhere about £1,000,000,000. Twenty-five per cent. upon their exports would be £250,000,000.

A sub-commission of the Reparation Commission will be appointed to sit in Berlin for the purpose of supervising this collection. It will have no authority to interfere in administration, but simply to supervise and control and receive payment. Receipts and materials in kind and 25 per cent. on exports will be hypothecated for the payment of the bonds issued. Other German revenues will also be pledged as security for payment of interest on the bonds, and here the German proposal coincides with the proposal we made. The Germans have offered other revenues for security of their payments.

GERMANY'S SURRENDER

In Germany the first effect of the allied ultimatum was to cause the fall of the Fehrenbach-Simons Ministry. After a stormy interregnum following its resignation, Dr. Julius Wirth succeeded in forming a coalition Cabinet, composed of Centrists, Majority Socialists and Democrats, which, confronted by the grave danger of French occupation of the Ruhr, swiftly decided that the conditions of the ultimatum must be accepted. Dr. Wirth announced this decision before the Reichstag on May 10, and asked for an immediate vote. He said in part:

Our task in this grave hour is to obtain the decision of the Reichstag with regard to the ultimatum of the allied Governments. Acceptance means that we declare our readiness to bear in voluntary labor the heavy financial burdens demanded year by year. Refusal, however, would mean surrendering the basis of all our industrial activities and the shackling of our entire industrial life; and the effects might be even more terrible for our political existence and for our realm. For these reasons the Government accepts the ultimatum. We know that acceptance, by reason of the place Germany will occupy in the economy of the world, will entail the gravest consequences. The responsibility for this falls upon the Allies. But there is one point concerning which there must be no obscurity. It would be useless to say "Yes," without the resolution to do our utmost to meet the obligations incumbent upon us. Ladies and gentlemen, the new Government, after reflection, advises you in all confidence, to accept the ultimatum.

The vote was then taken. The result was 221 in favor of acceptance, 175 against.

Though this meant a victory for the new Premier by a comfortable majority, it was stated on all sides that the Wirth Cabinet was only a temporary makeshift, decided on after days of political chaos, and placed in power for the purpose of accepting the allied demands. The main supporters of the new régime were the Majority Socialists and Clericals. Dr. Wirth was unfavorably regarded by the industrialist and banking interests, because he had been closely associated with Matthias Erzberger, his predecessor as Finance Minister. For the time being, at all events, the Wirth Cabinet served both Germany's and the Allies' purposes: it accepted, and persuaded the Reichstag to accept, the ultimatum. The acceptance was at once dispatched to London by the Wirth Cabinet, and was delivered to Lloyd George by Dr. Sthamer at 11 o'clock on the morning of May 11. The British Premier at once telegraphed the news to all the Governments concerned. The text of the German acceptance was as follows:

In accordance with instructions just received, I am commanded by my Government, in accordance with the decision of the Reichstag and with reference to the resolutions of the allied powers of May 5, 1921, in the name of the new German Government to declare the following:

The German Government is fully resolved, first, to carry out without reserve or condition its obligations as defined by the Reparation Commission.

Second, to accept and carry out without reserve or condition the guarantees in respect of those obligations prescribed by the Reparation Commission.

Third, to carry out without reserve or delay the measures of military, naval and aerial disarmament notified to the German Government by the allied powers in their note of Jan. 29, 1921, those overdue to be completed at once and the remainder by the prescribed date.

Fourth, to carry out without reserve or delay the trial of war criminals and to execute the other unfulfilled portions of the Treaty referred to in the first paragraph of the note of the allied Governments of May 5.

I ask the allied powers to take note immediately of this declaration. STHAMER.

But though Germany had yielded to the ultimatum, both Great Britain and France manifested doubt as to how she would keep her new promises. The British as well as the French press inclined to the view that

the best way of aiding Dr. Wirth was to remain in readiness to enforce the terms which Germany had pledged herself to fulfill. The fact that both the Nationalist and Industrialist organs in Germany were already assailing the acceptance and calling the surrender note a "scrap of paper" was not lost sight of. France, above all, was suspicious, and the French Government, after receiving news of Germany's surrender, announced that it would keep under the colors the 1919 class of soldiers mobilized for the Ruhr until July 1, by which date Germany has now engaged to complete disarmament.

Up to the last day pending the German reply, the French troops had been pouring into the Rhine district, and closing in around Ruhrort in all directions. Divisions with full equipment had been on the move for days, and everything was in readiness for the final push when the German acceptance was received. Though the news of Germany's surrender was in some sense a relief, the French Government gave every evidence of its determination that this new agreement should not add to the long list of broken promises. To Premier Briand and President Millerand the real test of Germany's sincerity would come on July 1. Would Germany disarm, and thus allow France to demobilize her troops?

As early as May 12 it was stated that painful differences were arising between the French and the British regarding the occupation of the Rhine towns effected some weeks previously, and still in force. The British advocated withdrawal from Düsseldorf, Duisberg and Ruhrort, and the suppression of the Rhine Customs barrier; the French wished the penalties already put in force to stand until France gained certainty that the new German promises would be kept. France's whole attitude has been, and remains, that the threat to occupy the Ruhr must be maintained until the Germans disarm. First, and above all, France wished protection from her old enemy: the rest would come. If the Germans abide by the new terms, alike for disarmament and reparation payments, French finances will be made secure, devastated areas will be restored, and the future of France and of Europe will be assured.

CAN GERMANY PAY THE INDEMNITY?

BY J. ELLIS BARKER

A summary of the solid facts on which the Reparation Commission based its indemnity figures—Birdseye view of Germany's agricultural, mineral and industrial resources—Reckless financial management of the nation's affairs the chief peril of the situation

THE Allies have demanded of Germany a total indemnity of 135,000,000,000 gold marks, and Germany, though she has now bowed to the terms of the allied ultimatum, has long been calling heaven to witness that the war has ruined her; many Germans still insist that, with the best will in the world, they cannot satisfy the demands made. The German spokesmen do not tire of pointing out that Germany is a naturally poor country, and that the treaty of peace has permanently impoverished the people by depriving them of some of their most valuable resources. However, the experts representing the Allies affirm that, whereas vast districts of France have been completely devastated, the German mines and manufacturing industries are intact and the latent resources of Germany are so great that she is easily able to pay. Which of the two parties is in the right?

The wealth of a nation depends on its natural resources and on the number and the abilities of the people who exploit them, converting latent wealth into tangible wealth. Germany, far from being one of the poorest nations in the world, is naturally one of the wealthiest, and she should well be able to fulfil the terms to which she has now acceded.

The Germans are a highly intelligent, able-bodied race. The mere fact that the German population within the frontiers of the old empire increased from 40,997,000 in 1871 to 67,810,000 at the outbreak of the war shows the extraordinary vigor of the race. Besides, during this period millions of Germans emigrated, the majority of whom settled in the United States. The human resources of Germany are very great. They represent a vast potential

wealth. Let us glance at the physical resources which the German people will be able to exploit, taking for our guidance those official German statistics upon which the allied experts have based their claims and calculations.

The principal wealth-creating resources of modern nations are agriculture, mining, the manufacturing industries and trade. In respect of all these Germany has been singularly favored by nature. Each of these four resources may be considered in turn.

By far the larger part of Germany consists of a gigantic, well-watered plain, which possesses an excellent soil. Owing to this natural advantage and the high development of agricultural science, the German soil yields extraordinary crops, as shown by the following figures from the German statistical abstract:

PRODUCTION PER ACRE (KILOGRAMS) IN 1913

	Wheat.	Rye.	Barley.	Oats.	Potatoes.
Germany	1,910	2,360	2,220	2,190	15,860
France	1,330	1,060	1,370	1,300	8,560
Austria	1,340	1,380	1,600	1,410	9,060
Hungary	1,280	1,190	1,440	1,170	7,540
United States	1,020	1,020	1,280	1,050	6,080

Germany's agricultural soil is very rich. Per acre it yields twice as much as that of the United States, and 80 per cent. more than that of France, Austria and Hungary. However, the Germans feel confident that they can increase their production per acre by at least 50 per cent. by the lavish application of nitrogen, and they have installed gigantic factories which will produce millions of tons of nitrogen from the air. According to the official German statistics, the harvest has increased as follows:

THE GERMAN HARVEST

Year.	Rye, Tons.	Wheat, Tons.	Oats, Tons.
1880.....	4,952,525	2,345,278	4,228,128
1890.....	5,868,078	2,830,921	4,913,544
1900.....	8,550,659	3,841,165	7,091,930
1910.....	10,511,160	3,861,479	7,900,376
1913.....	12,222,394	4,655,956	9,713,965

Year.	Potatoes, Tons.	Sugar, Tons.	Hay, Tons.
1880.....	19,466,242	415,000	19,563,388
1890.....	23,320,983	1,261,000	18,859,888
1900.....	40,585,317	1,795,000	23,116,276
1910.....	43,468,395	1,947,580	28,250,115
1913.....	54,121,146	2,632,000	29,184,994

Germany's live stock also has increased prodigiously during the last few decades, as follows:

Year.	Horses.	Cattle.	Sheep.	Pigs.
1873....	3,352,231	15,776,702	24,999,406	7,124,088
1883....	3,522,525	15,786,764	19,189,715	9,206,195
1892....	3,836,256	13,555,694	13,589,612	12,174,238
1897....	4,038,495	18,490,772	10,866,772	14,274,557
1900....	4,184,099	19,001,106	9,672,143	16,758,436
1907....	4,337,263	20,589,856	7,681,072	22,080,008
1913....	4,523,059	20,994,344	11,320,460	25,659,140

German agriculture gives a picture of abounding and rapidly increasing prosperity, which is bound to continue, for the Treaty of Versailles has deprived the country of relatively only a minor part of its agricultural resources, while the diminution of German agricultural soil has been accompanied by a similar reduction in the number of the German people.

Previous to the war Germany possessed approximately four-fifths of all the coal on the Continent of Europe. Her extraordinary wealth in coal and iron ore, and especially the former, led to the rapid expansion of her manufacturing industries and of her trade. How fast has been Germany's advance in the production of coal and iron may be seen by comparing the record of that country with that of Great Britain, which yields the following picture:

Year.	Production of Coal in		Production of Iron in	
	Ger- many. Tons.	United Kingdom. Tons.	Ger- many. Tons.	United Kingdom. Tons.
1880..	59,120,000	149,380,000	2,729,000	7,802,000
1885..	73,672,000	161,960,000	3,687,000	7,369,000
1890..	89,290,000	184,590,000	4,658,000	8,033,000
1895..	103,990,000	193,350,000	5,465,000	7,827,000
1900..	149,790,000	228,770,000	8,521,000	9,052,000
1905..	173,660,000	239,890,000	10,988,000	9,746,000
1910..	221,980,000	264,500,000	14,793,000	10,380,000
1913..	273,650,000	287,410,000	19,292,000	10,260,000

The Germans bitterly complain that their

manufacturing industries have been ruined owing to the Peace Treaty, whereby Germany has lost a large quantity of her coal and the bulk of her native iron ore. However, there has been much exaggeration on their part. The Sarre coal field, which is temporarily occupied by France, and which ultimately may become French by plebiscite, is quite unimportant. It furnished considerably less than one-tenth of Germany's black coal. The Ruhr Valley alone contains considerably more coal than the whole of the United Kingdom. A large part of the important Silesian coal fields will apparently remain with Poland. However, the Poles will find it in their interest to sell coal at a reasonable price to the Germans, quite apart from the treaty provisions that restrain Poland from hampering the exportation of coal to Germany for some considerable time.

As regards the loss of the bulk of her iron ore to France, the position is not as serious as it is depicted by the Germans representatives. France, it is true, has in Lorraine by far the largest iron ore deposits in Europe, but she lacks the coal with which to smelt them. France is exceedingly poor in coal, and the Sarre coal is unsuitable, because it does not make a satisfactory coke. If coal and iron ore are lying at a distance from one another the iron ore always travels to the coal, for obvious reasons. At present iron ore is sent from French Lorraine to the Ruhr coal district to be smelted, and that process is likely to continue. Besides Germany relies, and has always relied, very largely on rich imported iron ore from Sweden and elsewhere. Hence her iron and steel industries are not likely to be ruined, as has so often been asserted.

Previous to the war Germany produced twice as much iron and steel as the United Kingdom. Her vast military strength was due very largely to her predominant position in the iron and steel industry of Europe. Apparently she will retain her old pre-eminence in that important industry. It is true that her iron and steel industry is at present less productive than it was in 1913. Its shrinkage is due partly to the impoverishment of her customers, partly to the disorder in Germany and elsewhere, partly to an insufficient supply of coal. The shortage in Germany's coal supply is not

so much due to the Treaty of Versailles as to underproduction on the part of the German miners. This underproduction is due to temporary causes, such as political troubles, labor unrest, railway congestion, shortage of trucks, underfeeding in the last few years, &c., which should be overcome before long.

Lately the Germans have discovered some gigantic deposits of lignite, or brown coal. The production of this valuable substitute for coal has increased very greatly. It exceeded 100,000,000 tons in 1920. Germany's difficulties in providing an adequate quantity of black coal have mightily stimulated the lignite industry and have caused Germany to take a greater interest in the production of hydroelectrical power than hitherto. The German rivers may be made to furnish millions of units of electrical horse power, while the unimportant streams of the United Kingdom can provide only a few thousands.

In addition to a vast wealth of excellent coal, Germany possesses gigantic quantities of potash and of other mineral salts. The extent of her salt deposits is not yet exactly known. They are so vast that it is impossible to measure them and to calculate their contents. From year to year the known area of her subterranean deposits of salt and potash has been increasing. At first it was believed that these salts occurred only about Stassfurt and Halle, in the centre of Germany. However, potash has been found in vast quantities also in Thuringia, in the Grand Duchy of Saxony, in Hesse, in Hanover, in Mecklenburg, near Bremen and Hamburg, and in Alsace north of Mulhouse. It is believed by many that almost the whole of the North German Plain and part of South Germany rest on salt deposits so gigantic that they almost defy measurement. Boreholes have been sunk through 6,000 feet of solid but soluble salts of all kinds without coming to the end, and nobody knows how much deeper one has to go to find their foundation. The potential value of these inexhaustible deposits is, of course, quite unknown. At one time the precious potash salts were called rubbish salts and were thrown away. There was a time when waterfalls were worthless. The stupendous salt deposits of Germany may before long prove to be a wealth-creating asset of the most extraor-

dinary value. In addition to coal and salts of every kind, Germany possesses a large store of other valuable minerals, such as zinc, copper, lead, tin, &c. Germany is by far the most highly mineralized country in Europe. Its mineral riches are only partly known. Almost every day new discoveries are made.

The German manufacturing industries have mightily expanded during the last few decades, owing to the great mineral wealth of the country, to the intelligence, industry and number of its inhabitants, and to the favorable position of the country for trade and commerce. Not so very long ago, Germany was mainly an agricultural country and was poor. By 1914 Germany had drawn level with England as a manufacturing country, and had, perhaps, drawn ahead of England, which at one time was the workshop of the world. In the steel, chemical, electrical and other industries Germany was far ahead of the United Kingdom. Her great natural advantages have been diminished by the war, but only slightly; therefore there is every reason to believe that Germany will presently once more astonish the world by the prosperity and the expansion of her manufacturing industries, which have been the principal factor in the creation of her vast wealth.

Nature has favored Germany not only with an excellent soil and climate and with great mineral riches, but has given her a unique position for trade and commerce. Germany occupies the centre of Europe. It is the natural meeting place, storehouse and exchange of the nations around. The great trade of Europe has followed the German rivers since the dawn of civilization, and the German river routes will become of increasing importance in the near future, owing to the vast improvements made and to be made. Seagoing ships can ascend the Rhine as far as Cologne, and before long they will be able to go as far as Strasbourg and perhaps as far as Basle. The gently flowing river can easily be deepened as far as Switzerland at comparatively little expense. Ships and barges carrying up to 3,000 tons of goods are already using the most important waterway in Europe and the world. A further deepening will enable ships of 5,000 tons and more to make use of that wonderful river, which is flanked on one side by the largest coalfield of

Europe, on the other by the largest iron ore field in Europe, and is surrounded by mountains which may be made to yield 20,000,000 hydroelectrical horse power units and more.

The Rhine is already connected by canals with the French system of waterways on the one hand and with the Danube on the other. Better connections are to be made in both directions, and the Rhine will be connected by means of deep canals with the Weser, Elbe and other rivers further east. The development of Germany's commerce has been wonderfully favored by a unique system of rivers, which follow a parallel course, which open up the countries around Germany, and which make Germany the natural market of Continental Europe. This development will be greatly promoted by the important waterways projected and begun, full details of which cannot be given in these pages for lack of space. The importance of the inland waterways for the development of the commerce, the agriculture and the manufacturing industries of the country may be gauged from the expansion of the German river fleet, which has grown as follows:

GERMANY'S INLAND SHIPPING

Year.	Number of Ships.	Carrying Capacity, Tons.
1882.....	18,715	1,658,266
1887.....	20,390	2,100,705
1892.....	22,848	2,760,553
1897.....	22,564	3,370,447
1902.....	24,839	4,877,509
1907.....	26,235	5,914,020
1912.....	29,533	7,394,657

Germany's inland waterways constitute an asset of incalculable value. Between 1880 and 1913 her exports of domestic manufactures quadrupled, because the country is wonderfully favored by the possession of a level plain, great mineral wealth, a most excellent position for commerce and a unique system of waterways. As Germany has retained most of these precious assets, there is no reason to believe that her economic progress will not presently be resumed with the utmost energy. Progress is a term of comparison. We can best realize the rapid advance of Germany in wealth and income by comparing her savings with those of other nations. A comparison of the German and the British savings bank deposits previous to the war shows the following result:

Year.	Savings Banks Deposits In Germany.	Savings Banks Deposits In Great Britain.
1880.....	£130,690,000	£77,721,084
1890.....	256,865,000	111,285,359
1900.....	441,929,000	187,005,562
1910.....	839,028,000	221,158,021
1913.....	984,450,000	241,507,028

Wealth and poverty are terms of comparison. We can best form an idea as to Germany's natural wealth by comparing pre-war Germany with pre-war France. According to the official Statistical Abstract of Germany of 1913, the conditions of the two countries may be summarily compared as follows:

	Germany.	France.
Area, sq. kilometers.	540,858	536,464
Population	64,925,993	39,602,258
Average increase per year during decade.	856,901	70,003
Production of wheat and rye, tons.....	15,959,000	9,960,000
Production of barley, tons	3,482,000	1,086,000
Production of oats, tons	8,520,000	5,069,000
Production of potatoes, tons	50,209,000	12,774,000
No. of horses kept..	4,516,297	3,236,110
No. of cattle kept...	20,158,738	14,435,530
No. of pigs kept....	21,885,073	6,719,570
No. of sheep kept...	5,787,848	16,425,330
Production of sugar, tons	1,347,951	465,395
Consumption of cot- ton, tons.....	1,770,286	987,843
Coal production, tons.	260,000,000	41,000,000
Iron production, tons.	17,853,000	4,872,000
Railway, kilometer...	61,936	50,232
Merchant marine, tons, net.....	3,023,725	1,462,639
Foreign trade, marks.	21,256,300,000	11,669,800,000

The comparisons given make it obvious that Germany is naturally far richer than France; that Germany, far from being one of the poorest countries in Europe, is one of the richest, being endowed with the most valuable and the most varied resources, notwithstanding the absence of a genial Mediterranean climate.

Previous to the war Germany had become, according to leading German financiers, economists and statisticians, by far the wealthiest country in Europe, and it was believed that, owing to the vastness and expandability of her natural resources, her national wealth would continue growing so rapidly as to put England and France utterly in the shade. Herr Steinmann-Bucher

wrote in his book, "350 Milliarden Deutsches Volksvermögen":

Formerly we were told that the wealth of Germany amounted to £10,000,000,000, that of France to £10,000,000,000, and that of Great Britain to £12,500,000,000. Today we may say that Germany's wealth comes to £17,500,000,000, France's wealth at most to £12,500,000,000, and that of Great Britain to £16,000,000,000. In twenty years, in 1930, Germany will have a national wealth of £30,000,000,000, which should compare with a wealth of £15,000,000,000 in the case of France and of £21,000,000,000 in the case of Great Britain.

Herr Helfferich, a former Director of the Deutsche Bank and an ex-Minister of Finance, in his book on "Germany's Wealth," estimated that the wealth of the country had increased from 200,000,000,000 marks in the 90's of last century to 300,000,000,000 marks previous to the war, and that it had of late years been increasing by about 10,000,000,000 marks [\$2,500,000,000] per annum.

The facts and figures given indicate that, although Germany has lost the war, the principal sources of her abounding wealth have suffered but little. Economic distress over there is due to the war and its after effects, and it is by no means limited to Germany, but is universal. It is noteworthy that at present the country suffers proportionately far less from unemployment than England and the United States. Germany's official representatives protest that their country has been utterly ruined by the war; that its principal wealth-creating resources have been lost or destroyed, and they have tried to prove Germany's inability to compensate the Allies by drawing attention to the ruinous state of the nation's finances and the poverty of those who live on fixed incomes, and who formerly, indeed, were rich or well-to-do. It is true that Germany's finances are in disorder, and that those people who live on fixed incomes have in many cases been reduced to poverty by the depreciation of the German currency. However, the true wealth of a nation consists not in its paper securities and in its paper money, but in its great economic resources, such as agriculture, mining, the manufacturing industries and trade. Moreover, the existing chaos in Germany's finances was created more or less deliberately, in order to enable Germany's negotiators to plead poverty. Unscrupulous business men who do not wish to

pay the money they owe know how to tie up their resources, to obscure their accounts and to assume the appearance of poverty by wearing their oldest clothes. That has been Germany's policy to some extent.

Up to the time of the revolution some kind of order was kept in Germany's finances. At the time of the armistice the bank notes of the Empire came to about 26,700,000,000 marks. At that time the discount at which the German mark stood in foreign markets was small. The new democratic Government voted funds with the utmost lavishness for all and sundry, while keeping taxation low, and it raised the gigantic sums which were to be spent by printing bank notes in unheard-of quantities. By now the sum of bank notes outstanding is approximately four times as large as it was at the time of the revolution, and the mark has fallen to considerably less than one-tenth its normal value, with the result that prices in Germany are about ten times as high as they were previous to the war. This extraordinary depreciation has naturally ruined countless people who have to depend on a fixed income from investments.

The Socialist Government, which at first assumed power, was followed by middle-class men who stand under the domination of the great industrialists, among whom Hugo Stinnes is the most prominent. The middle-class Government has continued the policy of financial recklessness pursued by the Socialists. On the one hand, money is squandered in untold millions, and on the other hand no serious effort is made to balance the national accounts, which continue causing the most gigantic deficits. The State railways, the State post office and other national undertakings are run at an enormous loss. For the forthcoming year the budget estimate allows for a deficit of 12,000,000,000 marks on the railways, which probably will be exceeded very greatly. Goods and persons are carried by the State far below cost. The post office and the telephones likewise are to be worked at a gigantic loss. Coal and food have been sold to the people below cost, and the State has paid the difference. Hundreds of thousands of unnecessary officials have been appointed, who are kept in idleness at the cost of the State.

On the other hand, taxes in Germany are

far lower than in many other countries, and the worst is that the German taxes, though nominally high, remain unpaid to a very large extent, for the State does not press for prompt payment. The International Financing Conference of Brussels recently published figures according to which taxation per head was in 1920 as follows:

TAX PAID BY EACH INDIVIDUAL.

	Per Head.
In the United Kingdom.....	\$87.90
In the United States.....	56.50
In France	34.60
In Norway	27.90
In Australia	27.80
In Denmark	20.40
In Holland	18.70
In Sweden	18.10
In Belgium	15.20
In Germany	12.50
In Spain	10.60
In Finland	10.40
In Italy	5.60

It will be noticed that Germany is near the bottom of the list, that taxation per head was seven times as heavy in the United Kingdom as in Germany. Of course, it may be argued that this comparison is quite unfair, because it does not take any notice of the difference in the income of the nations enumerated. The experts, recognizing the strength of such an objection, carefully calculated the income of eight nations for which fairly reliable figures could be obtained, and showed how large a percentage of the national income was claimed by the tax collector. Their calculations may be summed up as follows:

PERCENTAGE OF TAX REVENUE FROM NATIONAL INCOME.

	P. C.
In the United Kingdom.....	27
In France	18
In Italy	13
In Japan	13
In Germany	12
In Canada	11
In Australia	9½
In the United States.....	8

Once more Germany is near the bottom of the list. The fact that Germany is under-taxed is undeniable, although, of course, existing taxation is absolutely ruinous for those unfortunate people whose income has been reduced to one-tenth or less, owing to the criminal levity with which the national finances have been handled since the revolution. Their outcries are perfectly justified

and their poverty is very real. On the other hand, the business men and the working classes are prosperous and they are by no means overtaxed.

The above figures give a fair picture of the tax burden borne by the various countries, as far as statistical calculations allow us to estimate the wealth, income and taxation of nations. Of course, no statistics are absolutely correct. Every statistical figure ever produced can be challenged. However, independent investigation shows that the tables given have been drawn up with the utmost care and impartiality. As the currencies of so many nations have depreciated and are constantly fluctuating, the experts reduced income and taxation to American dollars at the prevailing rate of exchange, because the United States is the only great country which possesses a currency based on the gold standard. Hence the American dollar was chosen as the universal denominator.

The impression that Germany is prosperous and relatively lightly taxed, which is created by the study of the statistics given, is confirmed by investigation on the spot. Luxury in Germany is widespread, and it is by no means limited to the profiteers. At no time in Germany's history have such vast amounts been spent on horse racing and gambling, on champagne and tobacco, on theatres and amusements of every kind. The workers and the officials, who were formerly not allowed to smoke during business hours, are now smoking continually. The most sumptuous books and periodicals are being published. The popular restaurants are overcrowded. The popular newspapers contain innumerable advertisements of races, sports meetings and expensive amusements of every kind. Travelers in Germany are amazed at the prosperity of the people, excepting, of course, the new poor, who have been ruined by the spectacular depreciation of the mark.

Among the nations outside Germany it has long been clear that Germany had the means to pay the Allies, but lacked the will. By passive resistance she strove to nullify the treaty of peace. The disarmament of Germany could be brought about only by repeated ultimatums and by the application of force. The wealthiest part of France has been ruined by the Germans, while the economic outfit of Germany is intact. Ger-

many is vastly superior to France in resources and in man power. The French believe, and not without reason, that it will not only be economically ruinous to them if Germany fails to compensate them, but they believe in addition that it will be militarily dangerous for an industrially crippled France to be faced by a German nation which can overwhelm France by reason of its vast superiority in men and in those resources which can rapidly be converted into weapons of war. Unless France is compensated by Germany, she may become bankrupt and may sink into poverty and obscurity, while Germany forges ahead. The French came to the conclusion that Germany could be made to pay only by seizing some of the most valuable assets of the country, holding them as security and, if necessary, exploiting them. Hence the threat to seize the Ruhr Valley, a threat that France now withdraws only so long as Germany meets her acknowledged obliga-

tions. The Ruhr coal deposits are both the power house and the arsenal of Germany. The mineral contained in it is of incalculable value. Germany is dependent upon the Ruhr coal for its very life. To Germany the Ruhr Valley is as indispensable as the Port of New York is to New York State or as Liverpool is to Lancashire.

Germany can pay at best only a small fraction of the damages which she inflicted upon the nations she attacked. Of course, it is difficult to gauge her future ability to pay. However, if we glance back at her meteoric development and if we take stock of her wonderful and varied resources, it seems clear that the demands of the Allies were not unreasonable, and that Germany, if she faces the task with the proper will and purpose, can meet the colossal bill of damages which she owes to the nations which she has wronged.

GERMANY'S POLITICAL CHANGES

Personnel of the "Cabinet of Surrender"—The Rhineland custom regulations put into effect—Split among the Communists—Germany's remarkable industrial recovery

[PERIOD ENDED MAY 15, 1921]

AFTER managing to maintain itself since June 25, 1920, the People's Party-Centrist-Democratic Cabinet of Germany headed by Konstantin Fehrenbach (supposedly representative of "big business"), which had conducted the negotiations with the allied powers leading up to the presentation of the ultimatum on May 5, handed in its resignation to President Ebert on May 4. It was replaced on May 10 by a Majority Socialist-Centrist-Democratic combination, with Dr. Julius Wirth, the Centrist Minister of Finance in the old Cabinet, as Chancellor and Acting Foreign Minister. [For details of reparation settlement see first pages of magazine.]

As the three People's Party members of the Fehrenbach Cabinet, under orders from the business political group headed

by Hugo Stinnes, did not intend to share what they and the Junker Nationalists called the odium of accepting the Allies' terms, especially as there was a chance that the Reichstag would vote against such acceptance, the collapse of the Ministry in which Dr. Walter Simons was Foreign Minister became inevitable. On May 10, immediately before the Reichstag voted, 221 to 175, to approve the acceptance of the Allies' terms, Dr. Wirth announced the make-up of his Cabinet as follows:

Chancellor and Acting Foreign Minister—Dr. Julius Wirth (Centrist).

Minister of Finance and Vice Chancellor—Gustav Bauer (Majority Socialist).

Minister of Economics—The Rev. Dr. Heinrich Brauns (Centrist).

Minister of Justice—Herr Schiffer (Democrat).

Minister of Labor—Robert Schmidt (Majority Socialist).

Minister of Transportation—General Groener (Democrat).

Minister of Posts and Telegraphs—Johann Giesberts (Centrist).

Minister of Agriculture and Foodstuffs—Andreas Hermes (Centrist).

Minister of the Interior—George Gradnauer (Majority Socialist).

Minister of Defense—Dr. Gessler (Democrat).

Minister of Reconstruction—Herr Silberschmidt (Majority Socialist).

Dr. Gessler, Herr Hermes, Herr Giesberts and General Groener held the same positions in the Fehrenbach Cabinet, and Dr. Brauns was Minister of Labor in that body. Herr Bauer was chosen National Chancellor in June, 1919, to head the Cabinet which accepted the Treaty of Versailles and served for almost a year. Although General Groener formerly was classified as non-political, it seems from the cable dispatches that he has become allied with the Democrats. Dr. Wirth, the new Chancellor, was born in Freiburg, Dec. 15, 1845, and has a long record of public service, especially in financial positions.

Dr. Otto Goepfert, Director of the Peace Section of the Foreign Office, resigned on May 13.

The new Ministry was generally regarded a "Signing Cabinet." It was freely predicted that it would not long survive the attacks of the Nationalists, People's Party and Communists, unless it could obtain the support, or benevolent neutrality, of the Independent Socialists, something which would involve making important concessions in the interest of the German workers, and might alienate some of the more conservative members of the Centre, Democratic Party and the Bavarian People's Party. Of the 469 members of the Reichstag, the combination back of Dr. Wirth's Cabinet controls only 216, but it can count upon the support of the 21 members of the Bavarian People's Party and the five German Hanoverians under ordinary circumstances. With the neutrality, or support, of the 61 Independent Socialists, its position would be secure, provided its original elements could be held in line.

In an appeal directed to the working people on May 14, the Executive Committee of the Independent Socialist Party asked them to support the new Government in its

efforts to carry out the economic penalties and the Allies' demands for disarmament and the trial of Germans guilty of war atrocities. It also asked the Government to seize a big share of the profits of the big capitalists.

CUSTOMS REGULATIONS

While the main question of fixing the final amount and terms of the reparation to be made by Germany was occupying the attention of the world, the Interallied Rhineland Commission was quietly going ahead with the enforcement of the customs regulations and other penalties that went into effect on April 20 throughout the old and new occupied territory. Some difficulty was encountered at first through the resignation of a number of the German customs officers and there was considerable congestion of railroad traffic on the borders, but this was soon adjusted. The German Minister of the Interior sent a note to the occupied zone saying he could not force the German officials to work under the new régime, but that they could do so without any fear of future punishment. Business slackened off materially in the zone, but unemployment did not reach as serious proportions as had been predicted before the sanctions went into effect.

No differences of any importance were reported between the occupying troops of France, Great Britain and Belgium, and the inhabitants, although in Düsseldorf there was some dissatisfaction at the so-called excessive requisitioning of quarters for officers and "non-coms." On May 1 the President of the Provincial Government of Rhenish Prussia told an American newspaper man that "Our relations with the French authorities thus far have been correct on both sides."

A demand by the Interallied Commission for the extradition from unoccupied Germany of persons wanted under indictments issued by the military authorities of the zone was acceded to on April 29.

A call by the Reparation Commission on April 16 for the transfer of the entire gold stock of the Reichsbank, some 1,100,000,000 marks, to Coblenz or Cologne, where it would be under the eyes of the Allies, was answered by Germany with neither a refusal nor a denial, but by a note to the effect that, as the demand was probably due to

the fact that the second paragraph of Article 248 of the Peace Treaty prohibiting the exportation of gold from Germany would become inoperative on May 1, the German Government would see to it that legislation was enacted to prolong the ban. On April 28 the Reichstag passed a bill prohibiting the export of gold before Oct. 1, 1921, without the consent of the Allies.

Further steps toward the trying of the German officers and soldiers accused by the Allies of having committed atrocities during the World War were taken when the Supreme Court at Leipsic sent representatives to London to hear the deposition of fourteen witnesses against the accused Germans, and when the Reichstag, on May 4, passed a bill providing for the trial of all the men named in the Entente's list, regardless of the quality of the evidence. During the hearings in the Bow Street Court in London a number of ex-service men made a hostile demonstration against the German representatives.

Surprise was registered in Paris on April 17 when German representatives admitted to the Reparation Commission that the German Government's estimate of 4,600,000 tons of German shipping turned over to the Allies on account of reparations was incorrect and that the Allies' figures of 2,113,545 tons were right.

In reporting on May 14 that Germany was still short 140,000 horses in its reparation deliveries to France and Belgium, a Berlin cablegram said the Government had bought a trial shipment of horses in the United States and that they had pleased the allied experts greatly.

Six members of the Central Committee of the Communist Party, including Herr Brandler, who, with Walter Stoecker, was supposed to run the party on orders from Moscow, were arrested.

In connection with a protest by the German Government to the League of Nations against the presence of French troops in the Sarre Valley, the President of the Governing Commission of the Sarre explained that these troops were not being used as a garrison of occupation, but merely to supplement the Sarre police force, which was too small to maintain order.

The principal results of the abortive Communist uprising in March [described

in detail in *CURRENT HISTORY* for May] was the splitting of the United Communist Party and the strengthening of the hands of the Junker reactionaries in their stand for the retention of arms by the agrarians and the city bourgeoisie in defiance of the Peace Treaty. All through the period, the extraordinary courts set up by President Ebert to handle the cases of some 3,500 Communists and mob leaders arrested during the "putsch" were busy handing out more or less lengthy prison sentences to those found guilty of either high treason or common crimes. Although the Communist, and also the Independent Socialist, press was filled with bitter editorials against the activities of the "white terror," there was no report during the month of any of the revolt leaders' being executed, despite the fact that several bandits masquerading as Communists were condemned to death. This was doubtless due to a clause in the order establishing the extraordinary courts providing that the death sentence could only be carried out after the President of the Republic had formally refused to exercise his pardoning power. In Munich Wendelin Thomas, a Communist member of the Reichstag, was tried before an ordinary court (Bavaria was almost untouched by the "putsch") on a charge of promoting rebellion and sentenced to two years in prison. Of the eleven persons arrested in connection with the attempt to blow up the Column of Victory in Berlin on March 13, six were found guilty of violating the explosives law with treasonable intent and were sentenced to six years' imprisonment. Two of the others were sentenced to six months for illegal possession of weapons, and the other three were acquitted.

Due to the fact that the great majority of the well-known leaders of the Communists had been opposed to the agitation for an uprising and took no part in it the lists of those being tried contained few names of importance in the Communist movement. Max Hoelz, the so-called Saxon bandit who bobbed up soon after the beginning of the "putsch" and took charge of the Red forces in the Halle section, was arrested in Berlin, but the courts seemed in no hurry to try him. Considerable indignation was aroused in labor circles by statements by alleged eyewitnesses of the shooting of Wilhelm Sylt, the leader of the Berlin elec-

trical workers who had tried to induce his followers to answer the Communist call for a general strike, that Sylt had been deliberately murdered by the police and not shot while attempting to escape, as alleged in the official version of the affair.

Figures given out by the Prussian Government put the number of Security Police killed during the uprising at 24, with 53 wounded. No data were given as to the casualties among the revolvers. The property damage in Saxony was put at 9,000,000 marks by the Saxon authorities.

The split in the United Communist Party was precipitated by the publication by Dr. Paul Levi, the chief of the Communist group in the Reichstag, of a pamphlet entitled "Against Putschism." In this he lamented the fact that the Communist Party, with its 500,000 members, and 1,200,000 voters in Prussia alone, had been so shattered by the anarchistic tactics of an Executive Committee taking its orders from abroad that its very existence was in danger. The Central Committee of the party promptly expelled Dr. Levi from the organization. This was immediately followed by a declaration of solidarity with Dr. Levi signed by Clara Zetkin, Adolph Hoffmann, Curt Geyer, Ernst Daumig, Otto Brass, Paul Eckert, Heinrich Malzahn and Paul Neumann, all leading lights of the Communist Party, in which the convening of a special party congress was called for. In its answer, the Central Committee insisted that its attitude regarding the outbreak had been correct and pointed to a message of approval from the Executive Committee of the Communist International in Moscow as evidence to that effect. The committee, however, agreed to call the special congress as soon as it considered the time propitious for such a move. Later the Central Committee asked the protesting Deputies to suspend their functions as legislators until further notice. This drew sharp protests from a large number of prominent Communists. It was generally believed that the convention would result in a definite division in the Communist ranks, the more moderate element going back to the Independent Socialist Party, while the extremists would unite with the non-political group known as the Communist Labor Party of Germany. In the meantime several Communist Deputies and other high officials

have left the party, and in the shop council elections in Central Germany the disgust of the workers with the Communists has been shown by their failure to choose Red representatives.

On May 13 Dr. Levi and his crusaders notified the Central Committee that they did not purpose to abide by the committee's decision, but would take their case to the third congress of the Communist International, due to open in Moscow on June 3.

The approval by the Moscow Executive Committee of the Communist International of the "putsch" did not prevent the German Government from completing and signing a trade agreement with the Russian Government. [See Russia.] Berlin evidently drew a fine distinction between the Bolshevik Government and the Communist International.

Die Rote Fahne, the Berlin Communist newspaper, was suppressed half a dozen times during the period for publishing wild calls for fresh revolts. Its editor, August Thalheimer, was arrested, and released, and it continued to appear intermittently. Its last reported suppression occurred on May 7, when it printed an appeal to the German workers to rush to Upper Silesia to help the workers there to seize the mines and other property and proclaim a Soviet Republic. [See article on Upper Silesia.]

On May 14 Die Rote Fahne printed documents purporting to prove a plot by the German military authorities to invade upper Silesia. The Ministry of Defense denied the charges and began an action against the paper for high treason.

Adam Stegerwald, the Centrist Deputy and leader of the Christian Labor Movement, resigned April 20 from the Premiership of Prussia, to which he had been elected by the new Landtag on April 9 by a vote of 332 out of a total of 388, because of his belief that he had been chosen under a misapprehension. He was re-elected the next day by a vote of 227 to 100 for Otto Braun, the retiring Social Democratic Premier, 21 for Deputy Ludwig, an Independent Socialist, and 1 for Deputy Busch, a Centrist. Stegerwald will hold his place as long as he enjoys the united support of the Democrats, Centrists, People's Party (the Stinnes group) and the Nationalists, as their combined forces number 251 out of a

total membership of 428. The Socialists of all shades refused to co-operate with the People's Party or the Nationalists.

In the midst of the chorus of protests asserting Germany's inability to pay the amount fixed by the Reparation Commission, German private concerns continued to expand at home and reach out for trade abroad. The seven companies making up the dye and chemical trust decided to increase their common stock from 745,640,000 to 1,620,000,000 marks, bringing their total capitalization in stock and bonds up to 1,915,220,000 marks, and to increase their dividend rates to from 15 to 20 per cent. against from 12 to 18 per cent. for 1919. Although a mark is worth only about 1½ cents at present exchange rates, the common stock of the chemical companies sells at from three to five times its par value, so the capitalization approximates \$120,000,000. The increased cost of raw materials was given by the companies as the main reason for raising their capitalization, but German financial writers did not fail to point to past glories in foreign trade and to predict that in the not too distant future German dyes would again rule the world markets. The total fresh capital called for

in the first four months of the year was about 3,500,000,000 marks for various industrial concerns.

Hugo Stinnes, the German industrialist, was rebuked when the Hamburg-American Line stockholders refused to re-elect him to the Board of Directors because he had started a competitive service to South America. A dividend of 8 per cent. for 1919 and 1920 was declared. German exports to the United States in March totaled \$30,502,988, against \$20,940,496 in March, 1920, according to figures given out in Washington on May 2. Germany's imports from this country amounted to \$7,367,780.

Deposits in private savings banks at the end of the first quarter of the year totaled 14,975,000,000 marks and there were 8,730,000,000 in the Postal Savings Bank.

An indication of the condition of finances of the German State was found in the fact that for the first twenty days of April the receipts of the National Treasury from taxes, customs, levies, &c., amounted to only 2,534,200,000 marks, while the expenditures totaled 5,098,100,000 necessitating an issue of 2,564,000,000 marks in Treasury notes, making the total floating indebtedness 168,893,200,000 marks.



(© International)

MEMBERS OF THE FORMER ROYAL FAMILY FOLLOWING THE REMAINS OF THE EMPRESS FROM THE POTSDAM STATION TO WILDPARK CHAPEL. LEFT TO RIGHT: CROWN PRINCESS CECILE, PRINCE EITEL FRIEDRICH, PRINCE AUGUST WILHELM, PRINCE ADELBERT AND PRINCE OSCAR

THE SILESIAN CRISIS AND KORFANTY

A grave international situation precipitated in Upper Silesia by the invasion of armed Polish bands, under Polish agitator, pending the allied decision on the plebiscite—Allies, outnumbered, give ground after serious fighting—Friction between England and France

IT was expected by the allied Premiers that the plebiscite held in Upper Silesia under the auspices of the League of Nations in March would bring a solution to the vexed problem of apportioning this rich mining territory between Germany and Poland. The returns from the plebiscite showed that although the district, in general, had voted to remain with Germany, the richest coal-mining areas of the Southeast had elected to unite with Poland. This complicated the situation, the Germans at once demanding, on the ground of the general result, that all Upper Silesia be allotted to them, the Poles insisting that the districts which had voted for Poland be incorporated in the Polish boundaries. The granting of this demand, however, meant to Germany that she had lost rather than won the plebiscite, inasmuch as she especially desired to gain possession of the coal fields.

While the Plebiscite Commission was still considering in Paris the most equitable policy of reconciling the vote in full justice to both parties, the whole situation was thrown into confusion by the irruption across the Polish frontier into Silesia of a large Polish force, directed by Adalbert Korfanty, who had but recently given up his post as Polish High Commissioner of the Plebiscite. This force, estimated at 50,000 men, was highly organized, and possessed machine guns, bombs, firethrowers and even airplanes. The allied forces, outnumbered and outfought, retreated, and the Polish adventurers, acting on the conviction that the Allies intended to give the mining districts to Germany, moved forward and occupied the whole of the mining area, even spreading toward the North. Some seventy allied soldiers were killed in the fighting that occurred, the Italians, especially, fought stubbornly. The French fought in some areas, in others remained inactive or withdrew. The news created great excitement in both Poland and Germany, and cast consternation into the hearts of the English. Mr.

Lloyd George denounced the Polish Government, which disclaimed all responsibility, and indirectly blamed France for this invasion. The British Premier even declared that he was in favor of accepting Germany's offer to send troops to suppress the movement. Germany's official request to be allowed to do this, however, was flatly refused by the French Government, and the strained feeling between France and Great Britain, which had arisen over the Rhine problems, was increased.

The plebiscite for Upper Silesia was attended by difficulties from the start, owing to strong racial animosities between the German and Polish elements. Herr Horsing, the Social Democratic Imperial Commissioner for Silesia and West Posen, put down a Polish uprising which occurred in August, 1919, by military force; he declared subsequently that the rebellion was due to the



THE SHADED AREA SHOWS THE REGION SEIZED BY KORFANTY'S POLISH FORCES IN DEFIANCE OF THE ALLIED COMMISSION. THE CHIEF COAL MINES ARE INDICATED BY CIRCLES

intention of the Pan Poles to gain absolute possession of Upper Silesia before the ratification of the Peace Treaty. The elections which took place in November, 1919, resulted in a sweeping victory for the Poles; on the basis of this result, the Polish Government asked the Supreme Council to accept this as decisive, without the holding of a plebiscite. This solution the allied Ministers rejected. It was decided on Nov. 4 that the Chairmanship of the Interallied Plebiscite Commission should be given to France, and General Lerond was ultimately appointed to this post.

The Commission, including the British and Italian members, reached Upper Silesia on Feb. 12. The military occupation of the whole plebiscite area had been completed by the allied contingents shortly before. The Commission took over all the German and Prussian powers, and issued a proclamation declaring its firm intention to maintain peace and order and to insure a free vote upon both sides. Stern warnings were sounded to all persons who attempted to break the peace or to coerce either element of the population.

The date of the plebiscite, long deferred, was at last fixed for March 20. Mutual complaints from both elements against the acts and attitude of others drew from the Council of Ambassadors on March 18 an official note to both Governments, reminding them that the task of keeping order in Upper Silesia during the plebiscite period was solely the affair of the Interallied Commission, and that any intervention by troops of either side would be undertaken at the responsibility of the offending party.

The plebiscite occurred at the date set, and was attended with no disorders, though the Poles bitterly complained that the Germans, availing themselves of the allied sanction, had imported fully 200,000 Germans from Germany and from all corners of the earth on the ground that they had been born in Silesia and had the right to participate in the vote. The result, as Germany expected, was a victory for the Germans. Fully two-thirds of the district had elected to remain with Germany. The area on the Polish border, however, including most of the coal mines, cast an estimated vote of 53 per cent. for Poland, notwithstanding the German vote given by the towns.

The final results were established and the full official report forwarded to the Interallied Commission and to the Supreme Council for the ultimate decision. This, however, was slow in coming.

Early in May, while the decision was still pending, the Polish workmen who form the population of the mining districts of Rybnik and Pless, misled by a false announcement, said to have been published in a German paper, that the Allies had decided to give these as well as other coal-mining districts to Germany, declared a general strike. This was followed by news that lawless Polish bands had appeared and were terrorizing the country. These uprisings had resulted in fighting between the French and the Polish rebels at Beuthen, Kattowitz and Tarnowitz. The conflagration spread, and on May 4 came the news that organized Polish forces numbering many thousands had occupied all of Upper Silesia south of a line running from Kosel to Tarnowitz, with the exception of a few large towns, and were moving further northward. Colonel Bond, the British control officer at Gross Strehlitz, opened fire on some 3,000 Polish insurgents who were striving to take the city. Italian troops at Rybnik were surrounded, but were putting up a spirited fight against superior numbers. The fighting continued for four days, during which the allied forces, numbering about 15,000, found themselves impotent to stem the tide, and the Polish rebels, directed by Korfanty in person, attained all their objectives. Korfanty, who, the Germans declared, had been preparing this coup for months, at once set up a government of his own, and issued proclamations defending the movement, and stating that he had taken over full power as Governor.

The excitement was intense in Germany. After a long Cabinet session it was decided that German troops should be sent to aid in putting down the insurrection only in three eventualities: First, if the Entente should express a desire that this should be done; second, if, after the Entente finally decided which part should be given to Poland and which part to Germany, the insurgents should transgress these limits; and, third, if the Poles, inflamed by their success, should attempt to invade German territory, notably East Prussia.

Though both the Interallied Commission and the Council of Ambassadors issued statements assuring the Polish elements that no decision of any kind had been



ADALBERT KORFANTY

Leader of Polish forces that have seized the richest parts of Upper Silesia

(© Keystone View Co.)

reached, the situation remained disquieting in the extreme, and it was said that the German elements of Silesia were organizing for defense. Notice was also sent to the Polish Government to exercise all its influence to calm the excited Poles. At this date it developed that the German Government on May 5 had sent an identical note to Paris, London and Rome charging that the Polish bands were committing wholesale murder and other atrocities, that the allied powers were responsible for maintaining order, and demanding that more allied troops be sent to control the situation. It then made a formal offer to aid the Allies in this task by sending its own troops, composed of German Reichswehr. To this sug-

gestion the French Government returned a categorical refusal.

Premier Lloyd George, speaking before the House of Commons on May 13, declared that the situation created by the Korfanty coup was menacing in the extreme. He declared for fair play for Germany, even to the point of allowing her to offer armed resistance if the Poles insisted on defying the provisions of the Treaty of Versailles and the plebiscite held under it. He censured the Polish Government bitterly for not restraining Korfanty and his "insurgents," and declared that the Polish population under Korfanty had tried to rush the allied decision and to confront the Supreme Council with a *fait accompli*. Upper Silesia, as a matter of fact, he declared, had not been Polish for 600 years, and the Polish claim was based wholly upon the mining population.

This speech created a commotion in Paris and greatly disturbed the French Premier, who in a public interview outlined the French position. France, he implied, was taking no orders from any other power regarding her policy. He defended Poland, saying that she had fulfilled her duty and had closed her frontier to prevent further Polish recruits from joining the insurgents. He also asserted that France had likewise done her full duty, and registered a formal protest against Lloyd George's statements. As to Germany's intervention in Silesia, he declared that France would never give her sanction to it. He laid the blame for the whole uprising on the publication of the false report above referred to in German newspapers.

The immediate outcome of the trouble, it was stated, would be the holding of a new allied conference at Boulogne. Such a meeting had been asked for by Lloyd George and M. Briand had agreed to it. The English press generally lauded the Premier's speech before Parliament and declared that a firm hand must be used in dealing with both France and Poland. The general French sentiment was one of flaming indignation against Great Britain for her alleged favoring of Germany at the expense of Poland and France.

THE MONTH IN THE UNITED STATES

General Pershing made new Chief of Staff—House fixes army at 150,000—Economy in Panama Canal Zone—Draft deserters listed—New Annapolis head—Naval Bill—Peace resolution—Supreme Court decisions—Budget system—Emergency tariff—Railroad situation—Trade conditions—Marine strike

[PERIOD ENDED MAY 18, 1921]

DOUBT concerning the future status of General John J. Pershing in the American military establishment was removed on May 13, when Secretary of War Weeks announced his selection to be Chief of Staff of the Army in place of Major General Peyton C. March, effective July 1.

General Pershing was made Chief of Staff to enable him "legally" to perform the functions recently announced by Secretary Weeks when he stated that he proposed to inaugurate in time of peace a skeletonized General Headquarters headed by General Pershing, the purpose of which was to be instantly prepared for active military operations in case of war.

Major General James G. Harbord, who rose from the rank of private through various grades in the American Army to the rank of Major General, was appointed Executive Assistant to the new Chief of Staff, succeeding Major General William M. Wright.

General Pershing will be the tenth officer to hold the title of Chief of Staff since its organization in 1903 by Elihu Root, then Secretary of War.

THE House of Representatives on May 10 confirmed its decision of ten weeks previous that the size of the United States Army should be 150,000 men. An amendment to the Army Appropriation bill proposed by Representative Byrnes of South Carolina, limiting the size to the number indicated, was adopted by a vote of 193 to 159.

In the last session of the Sixty-sixth Congress the House placed the size of the army at 150,000, but the Senate insisted that 175,000 should be the figure. A compromise was finally reached on a total of 156,666. President Wilson, however, vetoed

the bill, which thus had to be reintroduced in the present Congress. The Senate had not acted on the House measure up to May 18.

GENERAL PERSHING on May 8 issued a statement with regard to the citizens' military training camps, in which he emphasized the obligation of every citizen to

prepare himself to serve his country in time of danger. He strongly advocated the training to be furnished in the

camps to be held this Summer under the direction of the War Department. He also urged the perpetuation of the veteran National Guard and National Army units as a foundation for the great citizens' army on which the nation must rely. "It is my belief," he stated, "that if America had been adequately prepared, our rights would never have been violated nor our safety threatened."

CONSIDERABLE criticism was evoked by the publication by the War Department of lists of alleged draft deserters that were found on examination to

contain many names of men who had served honorably in the army or navy.

Among those thus falsely stigmatized as draft evaders or army deserters were many who had won rank and medals because of distinguished war service. So many of these errors were found that many newspapers refused to publish the lists. In defense of its action, the War Department, through Major General Peter C. Harris, the Adjutant General of the Army, who had charge of the publication of the lists, issued a statement

May 9 in which he declared that the department had done everything in its power to insure the correctness of the published lists and had succeeded in cutting down to approximately 155,000 names the original total of 489,003. "Everything that is humanly possible," he declared, "has been done by the War Department to insure the correctness of the lists."

ADMIRAL HENRY BRAID WILSON, Commander-in-Chief of the Atlantic Fleet, was on May 10 selected by President Harding as the next Superintendent of the Naval Academy at

ADMIRAL WILSON
TO HEAD
ANNAPOLIS
Annapolis. He succeeded Rear Admiral Archibald H. Scales, who for several years

had been in charge of the Academy. The change was to be effective at the end of the present academic year. Admiral Wilson was stationed at Brest during the war, and since his return had been in command of the Atlantic Fleet, which had been brought to a high state of efficiency.

WITHOUT a record vote, the Senate on April 26 passed the budget bill. The bill provides for a bureau of the budget in the Treasury Department to prepare the estimate of appropriations needed by the various departments. The bureau would have as its head a director of the budget, appointed by the President with the consent of the Senate for a term of seven years, with an annual salary of \$10,000.

The offices of Controller and Assistant Controller of the Treasury would be abolished under the proposed bill and in their stead offices of Controller General and Assistant Controller General would be created. Their removal would be permitted by joint Congressional resolution, which requires the President's signature.

The House on May 5 passed the budget bill by a vote of 344 to 9. The measure differed in some minor particulars from that passed by the Senate. Arrangements were made for a prompt conference between the two houses so that the bill might have the differences adjusted and be sent to the President in time, if approved, to

permit the inauguration of the new system at the opening of the next fiscal year, July 1.

BY a vote of 49 to 23 the Senate on April 30 adopted the Knox resolution declaring the state of war between the United States on the one hand and Germany and Austria-Hungary on the other to be at an

end. The importance of this action was overshadowed, however, by an announcement made by Senator Lodge, Republican floor leader, which was construed to imply that a new peace treaty would probably be negotiated with Germany.

Senator Lodge was not explicit in his statement, but conveyed the impression that the Versailles Treaty, even if modified by the elimination of the League covenant and addition of reservations to prevent the United States from becoming involved in European politics, would not be submitted to the Senate for ratification. This impression was later modified by the Senator, and a statement from the White House left the impression that the President had not let it be known whether he would again submit the treaty.

The resolution was then sent to the House, where up to May 18 no action had been taken.

TAKING the broad ground that in case of public exigency the limitation of the rights of real property was warranted, the United States Supreme Court handed down opinions on April 18 upholding the New York housing

SUPREME COURT
DECISIONS ON
HOUSING LAWS
laws and a similar rent restriction enactment by Congress for the District of Colum-

bia. The court divided 5 to 4, and on the same lines in each case. Justice Holmes wrote the majority opinion, which was concurred in by Justices Clarke, Day, Brandeis and Pitney. The minority opinion was handed down by Justice McKenna, with Chief Justice White and Justices McReynolds and Van Devanter joining in the dissent. Justice McKenna held that the rent laws infringed on the constitutional pro-

vision that private property cannot be taken for public use without just compensation. He suggested that the principle of interference with contract smacked of socialism.

THE Naval Appropriation bill, which provided for expenditures of approximately \$396,000,000, was adopted by the House on April 28 by a vote of 212 to 15, without important changes, despite the effort to obtain

NAVAL
APPROPRIATION
BILL PASSED

amendments that would urge on the President early action in calling an international conference on disarmament.

One amendment added was that money should be expended only for work on vessels now under construction; a second prevented expenditures for buildings or shore stations unless specifically authorized. A proposal by Representative Blanton to reduce the appropriation for construction from \$90,000,000 to \$10,000,000 was defeated by an overwhelming vote. The Senate had not acted up to May 18.

FOLLOWING a series of conferences looking to a settlement of the wage dispute between the American shipowners, the Shipping Board and the marine workers, an order was issued by Admiral Benson, head of the Shipping Workers' Board, to all operators of Government merchant craft to reduce wages 15 per cent., effective at midnight of the day the order was issued, April 30.

This action led on May 1 to a general strike among the marine workers. Six thousand marine engineers in New York harbor left their posts. These were followed by many members of the seamen's and firemen's unions, and a general paralysis of shipping operations was the result. Appeals were made for a revision or revocation of the order, but Admiral Benson insisted that the announced reduction would stand. He served notice on the members of the marine unions who were on strike that the full power of the Government would be employed to move its vessels. He further announced that private interests operating vessels to which the Shipping Board had title must put the 15 per cent. reduction into effect if they wished to retain their

ships. Backing up this position on May 12, he issued a formal order taking from the United Transport Company of New York six ships, aggregating about 55,000 dead-weight tons, on the ground that the company had failed to put the reduced rate into effect.

The strikers on May 17 gave Secretary of Labor Davis full power to make a settlement with the ship owners and the Shipping Board on their behalf. The owners on the same date voted to reject all contracts with Marine unions.

SECRETARY OF WAR WEEKS announced on April 20 that he purposed visiting the Canal Zone shortly, with the view of gathering data on which to base a reorganization of the entire method of administration, which, he declared, was now conducted extravagantly.

TO CUT
PANAMA CANAL
COSTS

Employees of the Canal Zone, the Secretary said, received much higher wages than Government employees in the United States proper, and in addition were allowed sixty days' leave a year, free quarters, the privilege of buying all commodities at cost from Government commissaries and other perquisites. The present cost of administration of the Canal Zone, exclusive of the military forces, is about \$800,000 a month.

IT was announced by the Federal Trade Commission on April 29 that formal complaint alleging unfair competition in interstate commerce, in violation of Section 5 of the Commission's Organic act and Section 2 of the Clayton act, had been issued against the United States Steel Corporation and eleven subsidiary companies, upon application made by the Western Association of Rolled Steel Consumers and other users of steel products.

The complaint was based on the system known as the Pittsburgh base price and Pittsburgh plus price, under which all steel except rails, wherever made, was sold at the Pittsburgh base price, plus an imaginary freight rate charge, equal to the actual freight rate charged from Pittsburgh to

the point at which the product was sold. It was claimed that this practice retarded the natural steel manufacturing growth of other sections of the country and placed a premium on the establishment and maintenance of steel fabricating factories in Pittsburgh.

ON May 2 the conviction of Senator Truman H. Newberry of Michigan of conspiracy to violate the Federal Corrupt Practices act during his Senatorial campaign was reversed by the Supreme Court. The

NEWBERRY	Senator had been found
CONVICTION	guilty in the lower court,
REVERSED	sentenced to two years' imprisonment and fined \$10,000.

Justice McReynolds handed down the opinion, in which he held that Congress did not have authority to regulate primaries. Justice Pitney submitted an opinion, in which Justices Brandeis and Clarke agreed, concurring in the reversal, but on different grounds, and asserting that Congress had unquestioned power to control primaries. Chief Justice White presented an opinion dissenting from the view that primaries could not be controlled by the Federal laws, but concurring with modifications in the reversal. Senator Newberry resumed his seat in the Senate after the decision.

WASTES amounting to a billion dollars annually were laid to managerial inefficiency on American railroads in a detailed exhibit placed before the Railroad

RAILROAD	Labor Board April 20, as part
WAGE	of union labor's fight against
DISPUTES	a reduction of wages. Recoverable wastes were estimated by the employees at \$578,500,000 a year, and other wastes, impossible of estimation, would equal that amount, it was declared.

Recoverable and easily estimated wastes were divided by the exhibit under nine heads, having to do largely with construction and care of locomotives and shop machinery, cost accounting and labor turnover.

The wastes which the unions said could not be estimated in terms of money included a variety of subjects, ranging from defective train equipment and tracks to allega-

tions of incompetent and extravagant management. In the latter class, emphasis was laid upon publicity and advertising and on what the unions thought were unnecessary legal expenses. Such expenditures, it was claimed, had served to increase the operating costs, and had been wrongly charged against them.

The operators' side of the wage controversy was presented in part by Mr. Julius Kruttschnitt, Chairman of the Board of Directors of the Southern Pacific, who appeared as the first witness, May 10, before the Senate Committee on Interstate Commerce, which began an exhaustive inquiry into the transportation situation.

The witness declared that the chief reason for the increase in operating expenses of the railroads was the added labor bill of more than \$2,225,000,000 since the Adamson law went into effect in 1916. Before that law became operative, the labor bill of the carriers stood at \$1,468,576,394. In 1920 it was \$3,698,216,351.

Expenses over which the railroads had no control, because of prices fixed by the Government or by general market conditions covered 97½ cents out of every dollar of operating expenses in 1920, asserted Mr. Kruttschnitt, adding that 64 cents out of every dollar of operating expenses in that year were paid out to labor, and the wages of labor were fixed by the Government.

The national agreements between the railroads and the workers, which were framed under Government supervision, were stated by the witness to be wasteful, in that expenditures were forced on railroads and the efficiency of the employees was decreased.

THE failure of retail prices to come down to the level warranted by declines in wholesale prices is retarding readjustment, according to an announcement made May 1 by the Federal

RETAIL PRICES	Reserve Board in its review of general business
RETARD	and financial conditions for the month of April.
TRADE REVIVAL	

Heavy transportation charges, high wage levels and high prices for coal and steel were cited as contributing factors, but throughout the review the retail price situation was emphasized as the most important element in retarding business revival.

The board called attention to the fact that statistics prepared by the Department of Labor showed a decrease of but 1 per cent. in retail food prices for the month of March. It pointed out also that the index figures fixed by the Federal Reserve Board showed a reduction since January of 11 per cent. in raw materials, as compared with 3 per cent. in prices to the consumer. The index figure on May 1 stood at 50 per cent. above the 1913 average.

THE Kellogg bill, authorizing the President to regulate and license landings of submarine cables in this country, was passed by the Senate on April 26. Cable

**CABLE
LICENSE BILL
PASSED**

companies are prohibited under the bill from landing or operating cables connecting with this country without a Presi-

dential permit, and the President is authorized to revoke licenses should such action be in the Government's interests.

The bill was written and pressed by Senator Kellogg of Minnesota at the request of the State Department after the dispute between the department and the Western Union Telegraph Company over the latter's cable landing at Miami, Fla. There was no opposition to it in the Senate, and no record vote was taken.

A REDUCTION was announced by the United States Steel Corporation on May 3 of 20 per cent. in the wages of day laborers in all of its manufacturing plants, to take effect May 16. Other rates, including salaries, were

**U. S. STEEL CORPO-
RATION WAGE
REDUCTION**

to be equitably adjusted, according to an official statement issued by Judge Elbert

H. Gary. The 20 per cent. reduction affected the wages of about 150,000 men and brought the wage scale to the level which existed during the early months of 1918.

Last year the Steel Corporation, according to its annual report, paid out approximately \$581,000,000 in wages to 267,345 employees. These figures were based on full operation, and the 20 per cent. reduction would mean a saving of about \$116,000,000 annually, but as the corporation is now employing only between 125,000 and 150,000 men, the

saving, based on current operations, would amount to about only half that sum, or \$58,000,000. The average wage, including day workers and salaried employes, last year was \$2,173. The reduction announced brings this to \$1,639.

AN emergency tariff bill, carrying the anti-dumping and American valuation clauses and the Knox dyestuffs protection amendment, was passed by the Senate on May 11 by a vote of 63 to 28, seven Democrats voting with the Republican majority and one Republican with the minor-

**EMERGENCY
TARIFF BILL
PASSED**

ity. All efforts to amend the bill as reported by the Finance Committee or to strike out provisions that the opposition objected to failed by substantial majorities. The only amendment on which the vote was comparatively close was that offered by Senator Reed of Missouri that would have denied the benefits of the measure to American exporters who sell their goods more cheaply in foreign markets than at home. This failed by a vote of 50 to 40.

The bill then went to conference. A similar measure, with the exception of certain amendments, had been passed by the House April 15 by a vote of 269 to 112. The conferees agreed and the bill went to the President on May 16.

DESPITE popular belief that unemployment has lessened, the Department of Labor announced on May 5 that the actual figures revealed that conditions at the close of April were four-tenths of 1 per cent. worse than at the close of March.

The reports received showed that of fifty-three industrial centres east of the Mississippi, twenty-eight showed decreases in employment, as against twenty-five showing improved conditions. The Pacific Coast was shown as having lost ground through April, inactivity in shipbuilding and lumbering accounting for much of the reduction. In the Middle Atlantic States, including New York, Pennsylvania and New Jersey, little industrial improvement had been noted in April.

SANTO DOMINGO'S BITTER PROTEST

By HORACE G. KNOWLES

Former Minister of the United States to Rumania, Serbia,
Bulgaria, Santo Domingo and Bolivia

A blistering denunciation of the continued American occupation of Santo Domingo—Former Minister to the Island Republic declares that the Military Government has brought it to the verge of bankruptcy and continues to abuse its powers

THE continued occupation of Santo Domingo by the United States authorities is a blemish on the American escutcheon. The facts supporting this declaration were frequently presented to the Wilson Administration during its last days by high authorities who could not be refuted; but this injustice continued, and the suppression of the sovereign rights of a friendly republic was maintained by our powerful nation. This state of affairs is continuing under the present Administration, to the surprise and regret of many of its most ardent supporters. The facts are known in Washington. President Harding has promised to act, and more recently Secretary of State Hughes announced that the United States will withdraw its force from Santo Domingo. The Wilson Administration, in its expiring days, in a kind of deathbed repentance, declared the United States has no longer cause to remain in Santo Domingo and indicated that the evacuation would be effected within six months from Dec. 23 last. But nearly six months have elapsed without the departure of a single marine or bayonet. On the contrary, Washington has just announced the appointment of a new Military Governor for the republic. It seems that only the pressure of public opinion can avail to correct the grave injustice done the Dominican Nation and aid this administration to bring about an early end of the regrettable conditions that we have forced upon it.

The maladministration and extravagance of the American Military Government have brought the unfortunate little country to the very verge of national bankruptcy, and today representatives of the United States and its military Government in Santo Domingo almost in desperation are operating between Washington and Wall Street in an effort to secure a Dominican foreign loan

for \$10,000,000, so deep in the hole of insolvency have the invading authorities plunged that little and now almost completely ruined country. To the last man, woman and child, the Dominican people oppose such an unauthorized loan and financial yoke, and if against their consent and protests it is negotiated by the offenders and wrongers of their country they declare they never will recognize or pay it.

To one business house in New York alone the military Government has involved the Dominican people in a debt that exceeds \$800,000. More than \$80,000 was spent for vaccine points for a small country where smallpox is unknown.

The well-known Clyde Steamship Company, which has been in direct and constant touch with the island and country for more than forty years, and in that period has provided almost the total transportation facilities for passengers and freight between the Dominican Republic and the United States, stated publicly a few days ago that the economic and financial conditions of the country under the American Military Government, which has continued uninterruptedly for five years, are the very worst that it has known or experienced during the forty years of its relations with the island.

President Harding in his campaign speeches severely and very justly criticised the Wilson Administration for its doings in Santo Domingo, and since March 4 Secretary Hughes has announced that the United States will withdraw its forces from Santo Domingo, but weeks and months are passing without anything definite being done, so far as the Dominican people can see. In the meantime they see the economic, commercial, financial and educational conditions of their country going from bad to

worse. The unanimous cry and appeal of the Dominicans to the American people and the Administration at Washington is: "Please give back to us that which you wrongfully took from us, and go away and leave us alone. We were better off and happier before you came, and we will be better off and happier after you leave. Please, go away!" Unwelcome when we arrived, and after an enforced stay of five years unwanted! Is it possible that President Harding and the American people can be deaf to such an appeal (and arraignment) as that?

To these brief introductory remarks I append the following letter, written by me to United States Senator Moses, who is a member of the Foreign Relations Committee of the United States Senate. Every statement therein is susceptible of proof and can be sustained by documentary evidence.

I may add that I have Senator Moses's permission to print this letter in *THE CURRENT HISTORY MAGAZINE*, and he states that he will be pleased if it is given the widest publicity.

LETTER TO SENATOR MOSES

New York City, April 30, 1921.

My dear Senator:

There cannot be the slightest question as to the contention that the last Administration made worse than a blunder when it ordered the invasion and occupation of the Dominican Republic. In accordance with such order a very large force of American marines was landed on Dominican territory; an American Admiral set himself up as Military Governor of the country, and immediately thereafter and with force of arms deposed the duly elected President of the country; dismissed the Ministers of State; dissolved the National Congress; grabbed the National Treasury; prohibited the holding of elections of any kind; enforced a censorship on tongue and pen, mail and wire, in the severest manner possible; and completely seized the country and every governmental function in it, in a no less imperious and subjugating way than the Germans did in Belgium and Rumania. Incredible all this may seem, but it is absolutely true.

What our Government did in that country and to that little friendly nation only a declaration of a state of war would justify. But we did not declare war against the Dominican Republic—only Congress could do that—and yet we took possession of the country in the same way we would have done had there been such a declaration or state of war. As a matter of fact, we actually waged war

on that country, and have for five years maintained there a state of war. Had the Dominican Republic not been a small and defenseless country, as against such a powerful aggressor; had it been England, France, Japan, Argentina, or even Mexico, our action—invasion—would have been considered an act of war, as in fact it really was, and would have plunged us at once into a terrific conflict.

In the proclamation of occupation it is stated that the cause for the occupation was that the Dominican Republic had violated a certain clause of the Treaty of 1907, which is not true. But, even if the charge had been true, there is absolutely nothing in the treaty that authorizes the United States to take such drastic action. There could be nothing in a treaty that would authorize or warrant our country invade and occupy to the country of the other party to the treaty. Never would any country make such a treaty with us or we with them.

Our Government in one fell swoop made the Dominican Republic a subject nation, and as much so as though we had been at war with it—the little nation trying to fight back with its "big brother" and we conquered it. We invaded and occupied its territory, and we trampled under foot its sovereignty, we took from the people their liberty and independence, and violated not only our treaty with them, but international law, the very principles of the Monroe Doctrine, and our own Constitution. And, moreover, while in such unlawful action, our forces short, killed and maimed the natives, tortured them and burned their homes.

Our Government was made to act in a criminally careless way. The order to use the bludgeon on a little, and it must be admitted, always friendly nation, that had committed no wrong against us, and a nation of the same sovereign rights as the greatest nations of the earth and our own, the home and last resting place of Christopher Columbus, must have been given and the blow struck without looking into or showing the least regard for the rights of the Dominican Republic, or the rights of our own country in attacking another nation and invading its territory. The solemn treaty of friendship we made with them, in which we recognized and promised always to respect their sovereignty; our own Constitution and international law were not examined or consulted; nor were the guarantees we have always maintained and the promise the Monroe Doctrine gives the American republics, taken into consideration; nor was our own resolution urged upon and passed by The Hague Tribunal in 1907, given a thought.

Indeed, it appears, of only one thing we were sure, and that was, we were going to commit an act of war against a small and not a large nation, against a helpless and not a strong people, and that we had force enough to subjugate them quickly. Then, in ignorance or willful criminality on one hand, and with assurance of our safety

on the other, and then without the shadow of right to support us, and without giving the least warning or notice, we made the attack and invasion, and when resistance was made we shot the patriots, and then added to our cowardice and shame by calling—branding—the unfortunate victims as they fell facing our guns and bayonets and lay quivering on their native land, "revolutionists." They were the same kind of "revolutionists" that fell before the British at Lexington and Bunker Hill. The Dominicans were trying to repel an invading foe, and fell fighting for the sovereign rights of their native land.

Thus they were, in fact, more in the right in resisting our forces than we were in attacking the British. How many of the brave Dominicans were thus shot down remains to be told. Besides those who made the supreme sacrifice there are innumerable ones that suffered untold indignities, injuries, cruelties and even torture. Economically, the country has been ruined by the extravagance, wastefulness and maladministration of the American military Government. Because of a dissipation of the people's money and a worse than incompetent self-imposed Government, the public school system has been paralyzed—the university and all schools closed.

This action of ours in Santo Domingo will make the blackest pages found in our national history.

Every statement I have made I am pre-

pared to support by ample proof, and will be ready to appear any time before you or your committee.

The State Department has admitted—confessed—to me and to others that our Government had absolutely no right to invade and occupy Santo Domingo. That is the truth and it can never be concealed, and, moreover, to our great discredit and detriment it is known to every Latin-American country, many of which have already made representations and formal protests and appeals to our Government. Then, if it be the truth, there is but one thing for our Government to do, and that is at once to quit the country we have wrongfully and illegally invaded, and to withdraw from it in the way and at the time the *injured party* and not the *offender* shall indicate, and then make due reparation for our wrongful action. Would that not be in accord with Secretary Hughes's recently declared policy of "justice" in our dealings with the Latin-American—our sister—republics?

This shameful and disgraceful procedure and the resulting condition in Santo Domingo should not be permitted to continue another day, unless this Administration and our Government and people want to approve the wrong and outrage committed by the thoughtless and heedless last Administration, and it is intended to repudiate the pre-election promise made on this subject by President Harding.

[SIGNED] HORACE G. KNOWLES.

PROTEST OF SANTO DOMINGO'S DEPOSED PRESIDENT

BY FRANCISCO HENRIQUEZ Y CARVAJAL

President of the Dominican Republic since 1916; graduate of the University of Paris in Medicine and Law, and member of The Hague Tribunal

EXACTLY five years ago, on May 15, 1916, the United States marines entered the City of Santo Domingo. These forces were commanded by Rear Admiral Caperton. The Admiral and the American Minister, William Russell, announced to the country as a whole, and to the Dominican Congress in particular, that the entrance of these troops had been undertaken for the sole purpose of aiding the Dominican people to restore peace and administrative order, momentarily disturbed by certain discords which had arisen between President Jimenez and his War Minister, General Desiderio Arias. The President, from patriotic reasons, had resigned from office rather than accept the offer of the Military Command to bear him triumph-

antly into the capital, which was held by the War Minister with a force of not more than 300 men.

The Dominican Congress wished to elect a new President to complete the term of Jimenez, in accordance with the prescription and the powers granted for such an emergency by the Dominican Constitution. Admiral Caperton and the American Minister asked the Congress to defer the election for a few days. Meanwhile the United States marines, under the command of Brigadier Pendleton, completed their occupation of all strategic points of the Dominican territory. The Dominican Congress, after waiting for two months and a half, elected a President, who assumed office on July 31 of the same year.

After the new Government was installed, the American Minister, supported by the occupying forces, demanded of the President that he accept the following proposal of the American Government: That the President of the United States should appoint a Financial Counselor and a Military Governor for Santo Domingo, the first to control the Treasury, the second to control the Dominican Army. It was implied that the authority of these new officials would be greater than that of the President himself, and that they would possess all the authority and the legislative rights of the Dominican Congress.

The President refused to accept this demand, despite the pressure the military occupation brought to bear on the payment of salaries and of all administrative expenses. As a consequence of this refusal, Rear Admiral Knapp, who had replaced Admiral Caperton, proclaimed officially that the Dominican Republic would remain subject to the American Military Government and that its people would be ruled by martial law. The President then left the country, protested to Washington against this violence and informed all Latin America of what had occurred.

At first the Military Government closed its own annual balances with a surplus of from \$3,000,000 to \$4,000,000. This result was pointed out more than once by officials of the Administration as an honorable justification of the military occupation.

Although the Occupation Government had destroyed the whole governmental system of the country, both national and municipal, it zealously undertook certain works of public utility, such as lengthening the highways, constructing bridges and public buildings and organizing elementary public instructions. Many rural schools were opened. It was declared in public documents that because of this great number of newly created schools a total of 100,000 children were finding instruction in the educational nurseries. They even went so far as to define this success as the culminating glory of the military intervention.

Of no importance was the fact that in the fields were dying men, women and children, some at the point of the bayonet, others as the victims of stupid reconcentration orders as bad as those of Weyler in Cuba. It was

of no importance that the people were gagged, robbed of all individual liberty and terrorized, that all journalists who dared to protest against the cruelty of the occupation were cast into prison, threatened and even shot, for the sole crime of having defended the liberty and independence of their country and of having advocated passive resistance to the invader and his occupation. All these facts, it seemed, were dimmed and eclipsed by the radiance of those twin glories—the schools, the public works.

But quite suddenly, perhaps because an expert and far-sighted official was no longer in control of the Treasury, the surpluses disappeared. The budget grew larger every year; from four millions it rose to five, to six, to eight, and finally to eleven millions. The commercial crisis which still afflicts the world today struck Santo Domingo. Prices went down, trade diminished, the economic condition of the country suffered the same shock which it had suffered in other countries of Latin America. The Military Government was unable to foresee this crisis. On the contrary, as the result of its inexperience of public affairs, it prepared to plunge into it by the widest door, leading by every sign to bankruptcy. Debts were paid with increases. It was decreed that the total debt could be wiped out in thirty-two years before the time limit fixed with the lenders. No more alluring prospect could be conceived. Only the Dominicans kept bad accounts. The Military Government now considered itself able to execute a budget plan calling for more than \$11,000,000, while the Dominicans, who kept such bad accounts, had estimated their highest budget at not more than \$4,500,000.

Such was the prospect. A change came overnight. The revenues decreased. The budget could be covered. But they began to cut salaries and to reduce personnel. The employe who received \$100 was paid only \$40. In an office where there were four employes, only two were left. The courts of justice were suppressed in various places. Some of the schools were suppressed; where there had been scarcely 600, only 300 remained. But this was not enough. Public works were discontinued. How could they go on with them? The only recourse left was to create a new public debt.

What they are now seeking is a new loan

of \$10,000,000 at 8 per cent. interest, whereas the country is paying on the previous debt only 5 per cent. But the people are refusing to support this new loan. They are protesting, in the press, in speeches, at meetings, to the Washington Government. They prefer misery, hunger, to this loan. To impress on the people the necessity of the loan, the Military Government has resolved to suppress, not a part of the schools, but the whole system of public instruction, from the university down to the smallest primary school. The people are raising their voice against this method of persuasion, never used before in their country, not even in its saddest days of revolts and misery. But though they protest against this measure, they also say: "No matter, we will support our schools, we will dispense with salaries, but we will not have this loan." This is the most formidable protest that a people can make against a loan which they do not wish. There are today no public works, no paid schools, no public offices for the Dominicans—but there will be no new loan with the consent of the Dominicans.

To justify the necessity of the loan, a certain person called in New York a meeting

of business men who are in commercial touch with Santo Domingo. The firm of Clyde said at this meeting: "In the forty years we have been working in that country, we have never seen such a grave situation as that which prevails there at present. The American Military Government has spent there \$800,000 in improvement of the harbors, and yet the harbors have never been in such a bad condition as they are today."

The Military Government intervened in Santo Domingo under the pretext that the American Government had made debts without the consent of the President of the United States. A later investigation showed that the financial situation of the Dominican Republic was excellent. After five years of a government of intervention, salaries are not paid, public offices are suppressed, courts of justice are suppressed, the whole educational system is suppressed, considerable sums are owed to commerce, a bond issue is made covering a total of \$1,200,000, without the consent either of the Dominican people or of the American Government, and the Military Government now wishes to save the situation by raising a loan of \$10,000,000, to which the Dominican people refuse their consent.

FOREIGN POLICY OF THE UNITED STATES

THE month under review was marked by a number of events tending to clarify the foreign policy of the United States under the new Administration. The rejection by President Harding of Germany's new reparation proposals, submitted after a special appeal for American intervention, was accompanied by a note showing plainly the President's belief that the allied reparations policy was justified. The allied Governments were sufficiently encouraged by President Harding's attitude to send him on May 5 an invitation to participate through duly accredited representatives in all future allied conferences. The Washington Government replied at once, saying that the United States "though maintaining the traditional policy of abstention in matters of distinctly European concern" was "deeply interested" in the future settlements, and was ready to co-operate within the limits described. George Harvey, the new Ambas-

sador to Great Britain, was appointed unofficial observer on the Supreme Council; Myron T. Herrick, Ambassador to France, was to act in a similar capacity on the Council of Ambassadors at Paris, and Roland W. Boyden on the Reparation Commission. This change of policy, even under reservations, was received jubilantly by the allied press.

Official correspondence showed that the Harding Administration was holding firm both on the dispute with Japan over Yap, and on the issue with Holland over the participation of American interests in oil concessions in the Dutch East Indies. The address of the President at the unveiling of the Bolivar Statue on April 19 showed a similar firmness in regard to the upholding of the Monroe Doctrine. The whole subject of American foreign policy will be fully treated in the July issue of *CURRENT HISTORY*.

ITALY'S ELECTION ONE OF WORLD IMPORTANCE

Conservative parties win by an overwhelming majority, and the Bolshevik elements lose a large part of their former strength in Parliament—What the results signify

[PERIOD ENDED MAY 18, 1921]

THE elections to the twenty-sixth Legislature of Italy took place May 15, in accordance with the decree of the King dissolving the twenty-fifth Legislature and convoking the new Chamber with the Senate for June 8. The importance of these elections is not confined to the Kingdom of Italy. In other countries the same forces which produced them have reached various stages of conflict, but in Italy the climax had come: Should the Government continue to abdicate to political theorists and fanatics, or should it give heed to the demonstrations of the middle-class majority and ask for a new set of lawmakers?

The returns to May 18 show that the various parties of the Coalition Constitutionals, on which the Giolitti Government can depend, have raised their representation from 189 in the old Chamber to 266, that the combined Socialist factions have lost 36 seats, that the Popular or Catholic Party returned the same number of Deputies which it had at the beginning of the old Chamber, that Nitti's personal party has been reduced from 23 to 15, that the 10 Outlanders returned from Bolzano and Istria may indicate that Italy has an Alsace-Lorraine on her hands, and, finally, that there must be one or more uncertain seats, as the total, 536, is one over the number required. The returns are:

Constitutional Coalition	266
Socialists (all factions)	134
Popularists (Catholics)	101
Republicans	10
Nitti Liberals	15
Slavs	6
Germans	4

The election of the twenty-sixth Legislature was held under the same law which produced the twenty-fifth—the Election Law of Sept. 2, 1919, when the number of election districts was changed from the number of Deputies to be elected to an

arbitrary number designated by the Minister of the Interior, and the manner of voting was changed from what is called the *scrutin d'arrondissement* to the *scrutin de liste*.

Thus, there were just 508 constituencies for the Chamber elected in October, 1913—the one which survived the war—and only 54 constituencies for the late Chamber elected in November, 1919. The new Chamber, which will take its seat on June 8, was elected from forty constituencies and produced the ordinary 508 Deputies, and, from the additional constituencies carved from the territory recovered from Austria-Hungary, numbering 6, producing 27 Deputies, thus making the twenty-sixth Legislature contain 535.

The reduction of the 54 constituencies to 40 was made in order to neutralize the Socialist vote in the great manufacturing centres, where several towns had set up Soviet municipal Governments.

The line-up of the Chamber on the eve of dissolution was not exactly the same as when elected, for meanwhile, in accordance with the law of July, 1920, each Deputy had been obliged to declare his party adhesion, as follows:

Liberal Democrats	87
Republicans	10
Reformists (War-Socialists)	18
Official Socialists	155
Liberals	23
Popularists (Catholics)	98
Radicals	57
Progressives	33
Mixed group	18
Non-political President	1
Vacant seats	8
Total	508

The greatest deflection had been from the Liberal Democrats, Premier Giolitti's party, on account of the manoeuvres of his predecessor, Signor Nitti. The Official

Socialists refer to the regular Socialist Party, which included the Syndicalists of the preceding Chamber and the new Communists, who were to separate from the party at the Leghorn Congress of last December, numbering about twenty; the Popularists represent the Catholics, who had been organized into a party in January, 1919, although in the Chamber of October, 1913, there had been twenty-four individual Catholics without a recognized party; the Mixed Group is made up of Nationalists, ex-service men and independents. With the Constitutionalists, or Ministerialists, made up principally of the Liberal Democrats, Liberals, Progressives, some of the Mixed Group, and a strong contingent of Radicals, the usual division in Parliamentary business was as follows:

Constitutionalists	189
Socialists	170
Popularists	100
Radicals	36
Republicans	13
Total	508

The prominent features in the life of the late Chamber which made themselves felt in the electoral campaign begun after the dissolution were the "repudiation" of the Communists by the Socialists and the consequent gains by the Reformists—Socialists who placed Italy above the fetish of the International—the turning of several Popularists to communism, the encouragement by the Constitutionalists of the Fascismo movement as a means of preserving the waning prestige of the Government, if not always its authority, and finally the attempt of the Socialists to make the cause of labor their own without, however, abandoning the academic communist program—they merely reverted to the ballot instead of direct action in order to gain the millennium.

Without questioning the sincerity of the Socialists, it is therefore apparent that whatever may have been the political or social affiliations of the parties which met on May 15 at the polls, the voters, however classed, represented movements superior to all parties; the one led by the Fascismo for the perpetuation of democratic government, the other led by the Socialists for the destruction of that government and the establishment of a new form in which the proletariat should dominate at communist dictation.

The Fascisti reaffirmed the necessity for

Italy's entering the war in 1915; they celebrated Vittorio Veneto, the "immortal legion" at Fiume and its leader; they demanded an end of State collectivism and a return to economic freedom; they favored the labor movement, so far as it did not clash with the interests of production and national necessities; and, finally, they wanted Italy to free herself both from Leninism and from the thralldom of being dependent on other States for raw materials. As a result of their punitive conflicts with the communists on the eve of the election, provincial Prefects had been obliged to remove five Soviet Mayors; three had resigned, and over 200 buildings used for treasonable intercourse had been destroyed. With the Fascismo the International is synonymous with treason. Benito Mussolini, the converted Socialist who helped to mold the ex-service men of Italy into one of the most wonderful organizations in the world, said of the Fascisti: "We are not a party, we are a movement"—*Non siamo un partito siamo un movimento*.

But this is also what the Socialists claimed to be, after they had been so often mistaken for communists by the Fascisti that they complained to the Government of their treatment and threatened to stay away from the polls, for they said in their manifesto: "The Socialist Parliamentary group has no purely parliamentary aims of its own; it aims at Socialist results, therefore its tactics cannot but be uncompromisingly opposed to any bourgeois government."

They then selected from the Government program, published in the address of the Ministerial Council to the King asking for dissolution, such items as they thought might especially appeal to the proletariat and made them their own—in their own way:

Our program in Parliament is to back the labor organizations in the class struggle; to help them win the workers' control in the industries today, to help them eliminate the exploitation of tomorrow. * * * We want to promote co-operative enterprises on a large scale, and without any dividends, as a substitute for the individualistic forms of production and exchange. We want to promote the socialization of the soil; we want the collective management of food supplies; of the storage, packing houses) and the useful industries. * * * We want to abolish the

standing army; to protect labor, the old and the sick, promote the moral and physical life of the proletariat by means of cultural improvement, combine manual and scientific work; free justice by appointing judges through the ballot; compensate the war victims, reorganize the invaded regions, &c.

Moreover, it will be seen that the repudiation of the Reds by the Official Socialists was merely an expedient forced upon them by public opinion and the activities of the Fascisti and proclaimed with the idea of winning the support of the workers at the polls, for the manifesto deliberately declares:

From Parliament our Socialist Deputies, even in their minimalist parliamentary program, looking to the needs of the working class, will aim at our maximalist program, which is communism in the full sense.

By April 25 the nomination lists of candidates were complete. The Socialists, with 195 candidates, presented themselves in 37 out of the 40 constituencies; independent of these were the communists, with twenty-four lists; the Popularists, or Catholics, were prepared to contest the election in thirty-four constituencies; the Fascisti in only two. On the other hand, the various parties forming the Constitutional bloc were, on an avowed scheme of coalition, prepared to contest 35 constituencies.

On May 11 Signor Giolitti, in his capacity of Minister of the Interior, sent the following order to the Prefects of the Provinces, under whose direction national elections are held:

As election day approaches, the more careful must be your efforts to assure to all parties, without distinction, freedom for propaganda. The electoral battle must be fought within the limits of legality, especially where the conflict of ideas is most acute and personal animosity is sharpest. Violence must be averted, whether by members of the Fascisti, communists or other parties.

The local measures taken to execute this order were generally effective. On election day the Fascisti ceased their punitive expeditions and assisted the Carabinieri in preserving order at the polls.

A repercussion of the campaign in Italy was felt in Fiume, where, on April 24, the first national election was held in accordance with the Treaty of Rapallo. The principal contest was between the Italian annexationists, led by the former lieutenants of d'Annunzio, and the autonomists, led by Riccardo Zanella. The latter won by 1,000 votes. They, thereupon, instigated by the communists, usurped the power of the constituted Government before their time and seized government buildings. Then the Fascisti arrived from Trieste, and in their turn seized the power, reinstated the old Government, and destroyed the ballot boxes, declaring that the election had been fraudulent and ordering a new one. In the end they were removed by the Italian Regulars and order was restored under a High Commission, which, headed by the former Mayor Bellasich, is identical with the old provisional Government.

THE DUTCH OIL CONTROVERSY

A CONTROVERSY has arisen between the United States and Holland over the right of aliens to prospect for oil in Sumatra. The Djambi oil fields in the Province of Palembang have long been the object of a struggle among the Standard Oil, the Dutch East Indies and the Shell group of oil producers. Three Standard Oil officials in April made a bid for one-half of the Djambi concession on the Dutch Government's own terms, the contract for which came before the second chamber of The Hague Parliament on April 26. The bill, it was pointed out, would give the Royal Dutch Company the exploitation not only of the Djambi concessions but of all the Dutch Indies oil fields in the future.

As amended and passed on April 29 by a vote of 49 to 30, the bill provides for the exploitation of the Djambi fields for forty years by a combination of the Dutch Indian Government and the Batavia Oil Company, the latter belonging to the Shell group. The capital of 10,000,000 guilders will be equally divided, but the company will be under control of the Dutch Government, and the Directors must all be Dutchmen, while the Minister of the Colonies will nominate the President, Vice President and one other member of the board.

A vigorous note had previously been addressed to the Dutch Government by Secretary Hughes, insisting that American oil companies must have equal opportunities

with the Royal Dutch Company or any other in the development of the Djambi oil fields in Sumatra and elsewhere in the Dutch East Indies. The note made it plain that if American capital did not receive such equal opportunity, access to oil under public lands of the United States would be denied to foreign capital.

Holland's reply was received in Washington on May 12. The Dutch Foreign Office points out that the American note came too late, as the law passed by the second chamber had been already drafted, and the question, pending the approval of Parliament, had been settled. The Minister says there are rich oil fields in addition to the Djambi concession, both in Sumatra and Borneo, and the Minister of the Colonies would be

glad to make with other companies contracts similar to that already made with the Dutch company. No more concessions, he declared, would be given for the exploitation of oil fields, but the Netherlands East Indian Government would either develop the oil fields itself or do so by contract with persons or private companies having previously been authorized to do so. These companies must be incorporated either in the Netherlands or the Netherlands East Indies. The managing and directing boards are to be subjects of the Netherlands or the Netherlands East Indies.

The decision of the second chamber was not final, for it was still to come before the first chamber, the debate there being expected to begin about May 17.

HUNGARY UNDER A NEW GOVERNMENT

[PERIOD ENDED MAY 15, 1921]

SINCE the solution of the Ministerial crisis caused by the unexpected appearance in Hungary of former King Charles, interest has centred in the new Cabinet and the sensational trial of a group of suspects charged with instigating the murder of Count Stephen Tisza, former Premier of Hungary, the "iron man" of Central Europe.

The new Cabinet, headed by Count Stephen Bethlen, on April 19 offered its program to the Parliament in Budapest. The Premier significantly declared that a new policy must be inaugurated, and that it would be a fatal mistake to let things continue as Count Tisza had left them. He further declared that although the Government espoused the Christian idea and a national and agrarian program, it strongly condemned anti-Semitism. His Government would not permit disturbance of social order by individuals or groups or organizations, but would punish, and if necessary destroy, all who caused strife or offered resistance. He expressed desire for close co-operation among all classes of the nation, but especially between the farmers and intellectuals. Unequivocally he denounced demagoguery and radical tendencies bearing the seeds of disorganization and bloody conflicts. He advocated constructive measures free from catchwords and wrong appeals to mob psy-

chology. In picturing a brighter future for the nation, he appealed to all to go to work and cease debating legal questions. He promised democratic legislation, without bowing to extreme demands. The first step in this direction would be made, he said, in the restoration of the rights of a free press and free assembly.

Among bills to be introduced, he mentioned especially one to reform the electoral franchise; another to modernize State administration, and a third regarding restoration of the upper chamber of the Parliament. The second bill would contain a broad outline as to how the Government proposes to bring about a just distribution and taxation of the land in the creation of small landowners.

Toward succession States the Premier counseled patience, but he expected them to show the same attitude, and, despite the enormous benefits they reaped through the assistance of the Entente, to be mindful of their obligations as established in the peace treaty. He hoped that commercial intercourse would open in the near future and that economic barriers would be lifted.

As an echo to the recent dynastic plot to restore King Charles of the Hapsburgs, he said that exercise of the royal prerogatives had ceased by virtue of a law adopted

in time of the revolution; any one opposing the new state of affairs would be punished. The ultimate decision regarding the monarchy would be left to a time, he declared, when conditions had become stable and when the will of the nation could express itself freely in Parliament without undue pressure from within or without.

Although support was pledged to the new Government by the National Assembly, the Government will find it hard to survive. The Christian Nationalists seem to think it concedes too much to the Liberals, while the latter oppose it because of a charge that the Cabinet is monarchistic and desirous of restoring the aristocracy to its former privileges. They argue that an attempt to call into life an upper house, in which the scions of privileged classes should sit as lawmakers, is a retrograde step and shows that talk of promoting democracy is but an empty phrase. On the other hand, while a large majority of the Farmers' Party is solidly behind the new Cabinet, the so-called radical wing vigorously opposes the same and predicts a short life and unpleasant one for Count Bethlen's Ministry.

A large majority of the Farmers' Party favors a dissolution, because this party is anti-Hapsburg and sees a wonderful opportunity to go before an electorate on a platform of free election as to who shall be the future head of the nation. Such an attitude was clearly revealed at a party conference held on the night following the new Cabinet's first appearance before the National Assembly. There a resolution was adopted demanding that the Government prosecute all who had a hand in the restoration plot.

Count Julius Andrássy, known as one of the foremost legitimists or Carlists, reminded the National Assembly that the question of the right to the Hungarian throne can be decided only by the law of the land, which is in favor of the former monarch, since his right to the throne has never been abrogated and he is still the lawful King of the country. Incidentally he offered support to the new Cabinet, but wished the extermination of groups addicted to violence and the doing away with anything that savors of military rule.

The return of King Charles to his Swiss exile has by no means quieted the agitation in Hungary. There is still a strong public

sentiment both for and against Charles. Not only Hungarian and Austrian aristocrats and clericals are interested in his restoration, but also a powerful French military clique supported by royalists, some publicists, and even diplomats. Marshal Lyautey is freely mentioned in the French group, while in the second group almost all royalist and clerical newspapers can be counted, especially Philippe Millet's papers. Opposition papers agree that the coup was frustrated mainly by Regent Horthy and the Little Entente.

The trial of the suspected instigators of the murder of Count Tisza is of absorbing interest to the populace of the Hungarian capital. Because of the intrigues behind the bloody deed, the political aspirations of some of those connected with the first revolution under Count Karolyi, and the character of some of the leading figures, the trial is historically important. At a previous trial Hüttner, Stanykovszky and Dobo were sentenced to death. Now the instigators are being tried, Stephen Friedrich, Prime Minister after the overthrow of the Bolshevik régime, being the most conspicuous figure on the criminal docket. Dobo died in prison, while Hüttner and Stanykovszky are the chief witnesses against the former Premier. Hüttner testifies strongly against Friedrich, but there is doubt regarding his trustworthiness. Fényes and Kéri, both publicists of radical tendencies, and Vago-Wilheim, once a commissary under Bolshevik rule, are the principals among the accused. Frequent reference is being made to Count Karolyi as to one who had some knowledge of the criminal conspiracy.

Some uneasiness is caused by the French Parliament's delay in ratifying the Peace Treaty with Hungary. Hungarians are little elated over England's ratification, despite the fact that some of the foremost leaders in both houses of the British Parliament unreservedly denounced the pact. Its territorial and economic clauses were strongly assailed, and Hungary's insurmountable hardships in existing as a self-supporting nation were pointed out; yet, the treaty was adopted without modifications.

The finances of Hungary are rapidly improving, and State expenditures and income balance each other.

WHAT THE GREEKS ARE FIGHTING FOR

BY PAXTON HIBBEN, F. R. G. S.

AUTHOR OF "CONSTANTINE I. AND THE GREEK PEOPLE"

A plain narrative of what really happened in Greece at the time of Constantine's abdication and of his recall to the throne—Events as interpreted by an American eyewitness, who holds that the Allies, not the Greeks, were to blame for unfavorable developments

WHOEVER regards the present struggle between Greece and the Turkish Nationalists as a new war is in error. It did not even begin in 1917, when, under pressure of France, Great Britain and Italy, Greece was finally dragged reluctant into the allied camp. In the very nature of things, there can be no truce between Greek and Turk. They represent two wholly antagonistic conceptions of life: the Greeks, passionately democratic, their King chosen by popular vote, practical, diligent, business-like, and Christian; the Turks, essentially feudal, with the Sultan a religious as well as a political figure, amiable, indolent, corrupt, and Mohammedan.

In 1912, Constantine's victorious armies struck the first Greek blow that seemed seriously to threaten the Ottoman power. That the whole fabric of the Turkish Empire did not crumble was due to the intervention of the Western European powers, especially Russia, moved by fear lest the Greeks regain control of the ancient capital of the Byzantine Empire, Constantinople. The Greeks have made no concealment of the fact that this is their ultimate goal. When, therefore, the second Balkan war, with the harsh terms imposed by the Treaty of Bucharest, made a potential enemy of Bulgaria, Greece merely parried the danger by reaching an alliance with Serbia providing for definite joint military action against Bulgaria in any future Balkan conflict that might arise, and kept her powder dry for the great struggle with Turkey.

When the World War broke out, Greece was untouched by it. On Aug. 2, 1914, M. Venizelos's Government informed Serbia that Greece would maintain a "benevolent neutrality" toward her ally. Two

days later, King Constantine categorically rejected overtures of his brother-in-law, the German Kaiser, to join Germany in the war, and declared that Greece would remain neutral, nor touch any of Germany's friends, Greece's neighbors, "just so long as they do not touch our local Balkan interests." The Entente powers were likewise informed of Greece's "benevolent neutrality," and the Greeks as a whole adopted much the same attitude as the Americans at the same period: friendly to the Allies, but unwilling to be dragged into the conflict.

The first division in Greek opinion arose on Aug. 18, 1914. The Russian Minister had made the suggestion that Greece join the Allies and send 150,000 Hellenic troops to fight the Austrians on the Danube, "as an ally of Serbia." The evident purpose of this move, at a time when Turkey's participation in the war on the side of Germany was already foreseen, was so to employ the bulk of the Greek forces that in the event of a campaign against Constantinople in which Greece might be induced to share, Greece would be in no position to dispute, militarily, Russia's claim to the Turkish capital. M. Venizelos favored the idea, but as the consensus of Greek opinion was strongly opposed to jeopardizing in any such way Greece's aspirations to possess the ancient byzantine capital, the project was abandoned.

GREEK SENTIMENT DIVIDED

But from that moment forward there were two camps in Greece: those who, led by M. Venizelos, favored immediate intervention in the war on any front and under any conditions suggested by the Entente Powers; and those of whom King Constantine subsequently came to be regarded

as the leader, who opposed Greece's participation in the war except under circumstances and guarantees consonant with the aim of all Hellenic history for eight and a half centuries, namely, not merely concessions for Greece in Asia Minor, but the destruction of the Ottoman Empire.

This latter point of view King Constantine authorized his Minister, on Aug. 23, 1914, to express to the Allies, advising them that Greece

thought it her duty to declare to the Entente Powers that, if Turkey went to war against them, Greece would place all her military and naval forces at the disposal of the Entente for war against Turkey, always provided that Greece were guaranteed against the Bulgarian danger.

It was not until Nov. 1, however, that Turkey openly espoused the cause of Germany. If Greece were to be free to carry out King Constantine's offer of participation in the war against Turkey, it behooved the Entente to find some way of conjuring the danger that Greece, once engaged in the struggle with Turkey, would suddenly be attacked in the rear by Bulgaria.

With Russia claiming Constantinople and a hinterland in Thrace as spoils of victory, there was nothing to offer Bulgaria, save at the expense of Greece, Serbia or Rumania. That part of Greece which the Entente Powers proposed to pay Bulgaria as the price of her co-operation, or at least her neutrality, was precisely the territory which Greece had fought the second Balkan war, the year previous, to gain, and which once in Bulgaria's hands would cut Greece off forever from any land connection with the coveted capital of Byzantium. To the Greeks, vague offers of possible compensations in Asia Minor made through M. Venizelos were meaningless. Asia Minor would always be separated from Greece by the sea, and Italy, France or Great Britain, not Greece, would always control the Mediterranean. Greece had Kavalla and Eastern Macedonia, while Smyrna was still in Turkish hands. A bird in the hand is worth two in the bush is also a Greek proverb.

But if the campaign against Constantinople were made with a sufficient joint force to handle Bulgaria, whatever her attitude, there was no danger of a surprise attack. It was a carefully worked out cam-

paign on this basis that King Constantine proposed to the Allies at this juncture.

On Nov. 3, 1914, an allied bombardment of Kum Kale, at the mouth of the Dardanelles, had put the Turks on their guard. When, therefore, on Feb. 19, 1915, a second effort to take the Dardanelles by



PRINCE GEORGE OF GREECE
Brother of King Constantine and Chief Commander of Greek Navy in present war with Turks

sea failed, King Constantine's proposal of a joint land and naval campaign received serious consideration.

It was at this moment that Russia, on March 4, secretly declared her "annexation" of Constantinople, Thrace, the two Greek islands of Imbros and Tenedos, and a considerable territory in Asia Minor, while at the same time interposing a veto upon the use of any large Greek force in the campaign against Constantinople, or the entry of Greek troops into the ancient Byzantine capital, should it fall to allied arms. This, of course, left Greece nothing to hope for from co-operation with the Entente, and King Constantine broke off negotiations the instant he learned of Russia's attitude. M. Venizelos, who had been

the spokesman of the Entente in urging Greece's participation in the war on any terms, resigned his Premiership on March 6, while the allied fleet, as if Greece's co-operation were a matter of no consequence,



KING CONSTANTINE

Restored Greek ruler, who has taken up the war against the Turkish Nationalists

made a third attempt to force the Dardanelles by sea.

POLICY OF THE ALLIES

The attempt failed, with heavy losses, and the Entente Powers returned to negotiations with the Greeks. Tranquilized by French and British acquiescence in her "annexation" of Constantinople, Russia withdrew her veto upon Greek participation in the campaign. On March 22, Premier Gounaris offered Greece's co-operation in the war against Turkey on conditions defined, on April 14, as (1) a guarantee of the integrity of Greece and (2) a definition of what compensations Greece had to expect.

Entangled in a web of secret agreements with Russia and secret negotiations with Italy, the Entente Powers could grant

neither of these conditions. To have defined what Greece might expect to receive in Turkey would have been to reveal what Greece could not receive, because already allotted to Russia. On the other hand, in the negotiations then in progress for Italy's entry into the war, Italy was being offered part of the territory in North Epirus won by Greece in the first Balkan war. Between Italy and Greece, the Entente Powers did not hesitate; they chose the former, at the expense of Greece. The Pact of London was signed on April 26, 1915.

M. Venizelos was re-elected on June 13, 1915, on much the same basis as President Wilson was re-elected in 1916—as the man who had kept Greece out of the war. His record was good either way; twice he had categorically refused to leave neutrality, and twice he had proposed to do so. But his support of every shifting phase of the Entente policy in Greece had convinced the allied statesmen that he could be depended upon to deliver Greece whenever and under whatever conditions they liked. No sooner was he elected, therefore, than Greece was no longer consulted; she was merely informed that Kavalla would be ceded to Bulgaria as the price of Bulgaria's neutrality, while Greece would be expected to fight in addition to losing one of the richest bits of land in the world.

The best efforts of M. Venizelos were unable to awake enthusiasm in the Greeks for war under these conditions. Moreover, every one in Greece was aware of what the Entente statesmen were blind to, namely, that Bulgaria was on the eve of joining, not the Allies, but the Central Empires. To strengthen his position, M. Venizelos invoked Greece's obligations under the Greco-Serbian alliance, which his own Government had repudiated in 1914. But Serbia was no longer able to fulfill the military requirements of that pact, which called for a Serbian contingent of 150,000 combatants to co-operate with the Greek Army against the Bulgarians. M. Venizelos, therefore, on Sept. 21, went secretly to the French and British Ministers in Athens and asked them to send to Serbia the 150,000 combatants that Serbia could no longer furnish.

On Sept. 23, M. Delcassé replied that France was "ready to furnish the troops which had been requested." A year later, in the Chamber of Deputies, M. Delcassé

admitted that France had not been ready to carry out this pledge, and that he knew it when he made the promise. Moreover, the landing of foreign troops on Hellenic soil without authorization of the Hellenic Parliament was in contravention of Article 99 of the Greek Constitution. The step which M. Venizelos had taken in secretly provoking a violation of the fundamental Greek law was a grave one. Had France sent the 150,000 troops promised, it might have passed unchallenged; but France sent only 13,000 men, who arrived too late to be of any aid to Serbia or to stem the Bulgarian advance. The whole manoeuvre revealed on the part of the French an attempt to "trick" Greece into the war, as a French Deputy put it, which struck a body blow at allied prestige in Greece and caused King Constantine to dismiss M. Venizelos, the Minister who had been responsible for the fiasco, and who had come so near to involving his country in an overwhelming disaster.

THE ARMY AT SALONIKI

Though the Entente Powers had been impatient with the Greeks for their reluctance to attack the Bulgarians without proper equipment or sufficient force, the Entente army in Saloniki was no more eager to attack than the Greeks had been. To explain at home this inaction, resulting as it did in considerable criticism of the Saloniki adventure, it was consistent with war psychology that both the high command in Saloniki and the governments in London and Paris responsible for the expedition should blame the situation on the alleged "pro-Germanism" of King Constantine and assert that, if only M. Venizelos were in power in Greece, a decisive military campaign could at once be undertaken from Saloniki. In much the same way, for the first year and a half of the war, the French press and public assailed President Wilson as "pro-German" and insisted that, had only Theodore Roosevelt been President, America would have joined the Allies and the war have been won long since.

New elections in Greece were ordered for Dec. 19, this time with a view to deciding definitely and unequivocally the will of the Greek electorate as to war or peace. Confident of M. Venizelos's ability to carry the

elections, and uncertain as to the moral effect at home of the abandonment of the Saloniki adventure, the Entente Powers decided to leave the handful of French and British troops that had begun to arrive in Saloniki on Oct. 5 in Greece, in the hope that the return of M. Venizelos to power would add the Hellenic Army to the allied force and render military operations in Macedonia possible. In this hope, also, the Island of Cyprus was offered to Greece as an inducement to leave neutrality. But the situation of the allied Saloniki army was so perilous, the whole enterprise had been undertaken with such little foresight, that not only were the Greeks unwilling to enter the war, but it soon became clear that M. Venizelos would not be returned at the approaching elections.

Left in this embarrassing predicament by the Entente Powers, whose cause he had espoused so consistently, M. Venizelos was forced as a political manoeuvre to take the ground that a dissolution on Nov. 4 of a Parliament elected in June was an unconstitutional act, and to save his face by abstaining from voting in the elections. As there are numerous precedents in recent Greek history for King Constantine's act in dismissing his Minister and calling for new elections, the Greeks did not take this contention seriously, nor was it intended they should. It was a position taken entirely for foreign consumption. The Entente Powers were seeking some pretext to intervene actively in the internal affairs of Greece to compel Greece's participation in the war. By Article 4 of the Convention of May 7, 1832, it had been stated that

Greece, under the guarantee of the three Courts [Great Britain, France and Russia] shall form a monarchical and independent State.

ALLIED INTERVENTION

In the Treaty of July 13, 1863, the word "constitutional" had been added to this guarantee of Greece's independence. If therefore now it could be shown that the constitutionality of the Government in Greece had been endangered, the "guaranteeing powers" might make a case to satisfy conscience for intervention. The fact that they had, themselves, been the first to violate the Hellenic Constitution by landing troops on Greek soil could be ignored, as could also the employment of the Greek

Island of Corfu as an Entente military and naval base, in violation of the pledge of perpetual neutrality contained in Article 2 of the Treaty of March 29, 1864.

While the Entente Powers were seizing Greek islands, ports, railways, public build-



CROWN PRINCE GEORGE
*Future ruler of Greece, who recently married
Princess Elizabeth of Rumania*

ings and forts in connection with their occupation of Saloniki, the Bulgarians were not idle. On May 26, 1916, they moved seven miles inside the Greek frontiers and took possession of the Pass of Rupel. A great hue and cry was at once raised in London and Paris that the Hellenic Government was permitting a violation of Greece's neutrality by Bulgaria. While only the peculiar psychology of war can account for the serious advance of such a thesis by those who were themselves daily violating the neutrality of Greece, the fact served as a pretext for that direct intervention in Greek internal affairs that the Entente Governments had decided upon.

On June 21, 1916, after a fifteen days' blockade of Greek ports, an ultimatum was dispatched to Premier Skouloudis demanding

1. The demobilization of the Hellenic Army.
2. The resignation of the Skouloudis Cabinet, which had succeeded the Ministry of Alexander Zaimis on Nov. 6, 1915.

3. Dissolution of the Greek Parliament and new elections; and

4. To enable M. Venizelos to carry the new elections, the surrender of the control of the Greek police to a partisan of M. Venizelos.

Greece was in no position to resist these demands, and Alexander Zaimis returned to power to accept the terms of the ultimatum. The demobilization of the Greek Army began at once, and as the Greek troops were withdrawn from Eastern Macedonia in compliance with the allied demand, the Bulgarians naturally followed, occupying the very territory Constantine's army had wrested from Bulgarian control in 1913. Part of a Greek army corps, caught in Kavalla and refused transport to old Greece by the allied warships on guard, was even interned by the Bulgarians.

The advance of the Bulgarian forces into Eastern Macedonia on Aug. 26, though an obvious consequence of the Entente's ultimatum, aroused the greatest indignation in Greece. Hitherto the Greeks had had no reason to fight Bulgaria; but now they had. On Aug. 27 Rumania joined the Allies, and offered Greece an extraordinary opportunity, by co-operating with Rumania, to take Bulgaria on both flanks and crush her between an army from the north and one from the south. On Sept. 1 King Constantine offered Greece's participation in the war on the side of the Allies, with this in view, to the British Minister in Athens, Sir Francis Elliot.

THE FRENCH ULTIMATUM

The French, however, had demanded new elections in the ultimatum of June 21, with the idea of using General Sarraill's army and their widely extended secret police throughout Greece to carry the elections for M. Venizelos, and they preferred to gamble on the success of this plan. The same day, therefore, that King Constantine offered Greece's departure from neutrality, an allied fleet under French command arrived off the Piraeus and presented another ultimatum requiring the surrender to allied control of the Hellenic posts, telegraphs and wireless, as well as the right for the Franco-British secret police to proceed to arrests of individuals within Greece, without due process of law.

Of course no sovereign Government could grant such terms; but Greece was not in a position to choose. Premier Zaimis ac-

cepted, and resigned at once, to be succeeded on Sept. 11 by Nicholas Kaloguyeropoulos, whom King Constantine had selected to put into diplomatic form the proposal he had already made to join the Allies. Under French leadership, however, Premier Kaloguyeropoulos was not recognized by the Entente, and his formal offer of Greece's participation in the war was ignored.

But the Entente's activities in behalf of M. Venizelos hurt him. It became increasingly evident that the French policy had been in error, and that M. Venizelos could not be elected, despite allied control of police, posts, telegraphs and railways in Greece. Rather than risk another defeat at the polls, M. Venizelos, therefore, on Sept. 25 left Athens secretly on an allied warship, and inaugurated, with active French backing, a revolution against the Constitutional Government of Greece from Saloniki. It was hoped by the French that the great majority of the Greek people would follow M. Venizelos and flock to Saloniki to form—under his leadership—an army to fight Bulgaria, under French command. Nothing of the sort took place, however, and the result of the French policy was merely to embitter the Greeks by loosing civil war in the country, with no corresponding advantage to the allied force in Saloniki.

Having embarked on a wrong course, the French felt that their prestige was at stake, and determined to proceed with the policy they had adopted, instead of accepting King Constantine's offer of Greek military co-operation with the Allies, to which no answer had yet been given. On Oct. 10, the French Admiral demanded the surrender of the entire Greek light flotilla of 24 war vessels, and the following day seized the ships. On Nov. 15, he followed this by demanding the surrender of virtually the entire military equipment of the Hellenic army. But matters had reached a crisis. The patience of the Greeks was exhausted. Much of their territory, their second city, their merchant marine and their war fleet, their railways, posts, telegraphs and police had passed, through ultimatum after ultimatum, into foreign control. There was civil war in the country, and a surrender of their arms meant, and was intended to mean, a triumph of the revolutionary army over the Constitutional Government. The

new demand was therefore refused and the French Admiral was informed that Greek public opinion was so excited that even were King Constantine, as Constitutional Commander-in-Chief of the Hellenic army, to order the Greeks to surrender their arms, he would not be obeyed.

BOMBARDMENT OF ATHENS

Nevertheless, Admiral Dartige du Fournet announced his intention of seizing the armament he had demanded, by force, on Dec. 1, if it were not delivered to him before that date. He was repeatedly warned that any such invasion of Greece would be resisted; but he had gone too far to draw back. A Venizelist uprising in Athens had been planned to take place simultaneously with the Admiral's landing, and the French staked everything on the triumph of the Venizelist movement, which they had fostered and financed. Therefore, when the arms were not delivered on Dec. 1, Admiral Dartige du Fournet led in person a landing force of 3,000 men, who marched on Athens.

The struggle was brief. The French Admiral's party was surrounded and virtually made prisoner. Surprised and chagrined at his failure, a bombardment by the Allied fleet of the open city of Athens was ordered, without the customary warning to enable the women and children to depart. After about half an hour of shelling of the city, to save further loss of life among the civilian population, King Constantine agreed to surrender part of the armament demanded. The Venizelist revolution broke out on schedule time, but was put down by the Government in 48 hours, and order restored.

French pride had, of course, been wounded. It was promptly claimed in Paris that Admiral Dartige du Fournet's landing force had been "ambushed" by the Greeks and a number of French sailors "murdered." Just how an armed body of 3,000 sailors happened to be in a position, in a friendly country, to be ambushed by an army is not clear. I witnessed the entire operation myself, and know of my own observation that the story of an "ambush" is absurd. At the same time, nothing was said in France about the bombardment of the city of Athens, and a rigid censorship

kept knowledge of the facts from the rest of the world.

A drastic blockade was promptly clapped on Greece, and maintained with intermittent severity for six months. On Dec. 14, another ultimatum was delivered demanding the internment of the entire Greek peace army in the Peloponnesus, where they became virtually prisoners of the Entente Powers. The revolutionary movement led by M. Venizelos in Saloniki was a failure; it was evident to the French that if they were to get M. Venizelos back into power in Greece, it must be done not only without but against the will of the Greek people.

When the Briand Ministry fell on March 19, steps were therefore taken by Premier Ribot to gain at least the acquiescence of Great Britain in direct action in Greece to place M. Venizelos in power and to dethrone King Constantine, by force if need be. The British Government was reluctant to approve a course in contempt of the will of the Greeks, while at the same time posing as one of the guarantors of the independence of Greece; Italy was decidedly opposed to the course France proposed, while Russia's approval was also lacking. The United States, then associated with the Allies in the war, was kept in ignorance of the plan which the French projected in Greece.

CONSTANTINE'S ABDICATION

It was therefore not in co-operation with France's Allies, but with M. Venizelos, that Senator Jonnart, French High Commissioner to Greece, on June 7, arranged for (1) the invasion of Thessaly from Saloniki, by General Sarrail's army; (2) the occupation of the Isthmus of Corinth by a French naval force, to cut off the Greek army; and (3) a landing of French troops near Athens in connection with a naval demonstration within gunshot of the Greek capital. These measures were not preliminary to a demand that Greece leave neutrality, to which the British Government had consented, but to a demand for the abdication of King Constantine and the return of M. Venizelos to power, the French plan.

On June 10, the program was carried out. At the express order of King Constantine, as Commander-in-Chief of the Hellenic army, the Greeks offered no re-

sistance. King Constantine designated his second son, Alexander, to exercise the constitutional functions of sovereignty *ad interim*, and left Greece on June 12. To tranquilize the Greeks, Senator Jonnart declared:

1. The protecting powers have no intention whatever of imposing a general mobilization on the Greek people.

2. The abdication of King Constantine is temporary. It is within the power of the people after the war to call the King again to the throne.

3. M. Venizelos under no circumstances is to come to Athens, and the powers have no intention of establishing him in power.

Despite these assurances, Senator Jonnart, on June 21, summoned M. Venizelos from Saloniki, and on June 24 informed King Alexander that M. Venizelos would be the new Premier of Greece. There were no elections, and, as parliament was hostile to M. Venizelos, Senator Jonnart summoned the last parliament in which M. Venizelos had had a majority, to give the rule of M. Venizelos a color of legality.

The first act of M. Venizelos was to decree a general mobilization of the Hellenic army, which, thereafter, participated in the war until the armistice with Bulgaria on Oct. 30, 1918. But Kavalla was not reconquered, nor were the Bulgarians driven out of Eastern Macedonia. As the Greek army was not used against the Turks, no decision was reached in the age-old struggle between Greek and Turk. Greece merely served as one of the twelve nations actively engaged in hostilities against the Central Empires, suffering losses less than any other European country except Portugal.

AT THE PEACE CONFERENCE

But the close relationship in which M. Venizelos had stood to France assured him of a large rôle at the Peace Conference, where, owing his Premiership to France, he was expected to repay at the peace table his obligation. It was in close co-operation with France, also, that on May 14, 1919, before peace terms with Turkey had even been broached, M. Venizelos ordered a Greek military occupation of Smyrna, where French business and banking interests are heavy. Unfortunately, however, excesses by the Greeks against the Turks in Smyrna prejudiced public opinion against

the claims which M. Venizelos was pushing to Greek sovereignty over Smyrna and its hinterland, in respect of which certain assurances less than promises had been given Greece at various times during the negotiations for Greece's entry into the war. At the same time, also, tentative negotiations for the cession of Cyprus to Greece were dropped by Great Britain.

When the draft of the peace treaty with Turkey came to be presented to Tewfik Pasha on May 11, 1920, Greece was to receive thereby only a two years' tenure of Smyrna. Yet, though already bankrupt, Greece was forced to continue her army mobilized to assist in policing the territory occupied by the Allies. In view of the comparatively small part played by Greece in the war, the concessions made to Greece appeared to the rest of the world enormous. But the Greeks found them pitifully inadequate compared with the vast Hellenic Empire of which M. Venizelos had talked as an assured thing, when he was trying to persuade the Greeks to support him in his attempts to hold and regain power. Realizing that his prestige with his own people was slipping, at Hythe on June 20, M. Venizelos offered the use of the Hellenic army to compel the Turks to accept the treaty terms, promising, as he had declared at Spa on May 25, that "Greece would win a complete victory over the Turkish Nationalists much quicker than the world thought possible."

This boast was unfulfilled. After eighteen days of desultory fighting, the Turkish Nationalist army was still undefeated, and the Greek campaign in Asia Minor gave way to the occupation of Thrace, allotted to Greece by the terms of the Turkish Treaty. The Treaty of Sèvres was finally signed on Aug. 10. But in the secret partition of Turkey into zones of influence and exploitation by the British, French and Italians, Greece had no part.

In Greek eyes the Treaty of Sèvres spelled disillusionment. A sector 80 miles deep and 150 miles wide about Smyrna was a long way from the 125,000 square kilometers M. Venizelos had promised; nor was even that to be Greek. Greece, it is true, obtained Thrace, but not Cyprus. The Dodekanese Islands were secured, but independent of the Sèvres settlement and on the same terms of concessions to Italy that

they might have secured them at any time. The Sultan was still in Constantinople; Smyrna still flew the Turkish flag. By dint of secret agreements and commercial concessions, Mustapha Kemal was slowly winning both Italians and French from the support of their Greek allies. While the rest of the world was hailing M. Venizelos as victor in a great diplomatic struggle, the Greeks were undeceived. They knew that he had obtained much less than he had promised, and far less than they had hoped.

The Treaty of Sèvres, also, left Greece increased in size, but overwhelmed with debt. During M. Venizelos's régime the Greek Government had spent three times its income. Much of this had been paid for second-hand war material, on which there had been enormous graft. The Greek debt had been increased by \$800,000,000, without counting that part of the Turkish debt Greece was required to assume in return for the territory she had received.

ERRORS OF VENIZELOS

Moreover, immediately upon becoming Premier again in 1917, M. Venizelos had dismissed 9,057 public officials and replaced them by his own henchmen; he had similarly replaced 1,218 officers in the Hellenic army, in time of war; he had caused the arrest and trial by courts-martial of his leading political opponents, one of the most brilliant of the opposition leaders, John Dragoumis, even being shot by his guards, in the streets. In the navy, the Church and the university, the same spoils system had been followed. Martial law was maintained; no elections were held, even when the Parliament—called by Senator Jonnart without legal authority of any kind—had long outlived its constitutional span. Censorship of press, mail and telegrams, and prohibition of travel and of free speech, irritated the Greeks, while constant trials for "treason" disposed of any critics of M. Venizelos's Government.

Under these circumstances, when elections were finally held on Nov. 14, 1920, for the first time since Dec. 19, 1915, M. Venizelos was overwhelmingly defeated, the Premier even losing his own district.

To the Greeks, King Constantine, in exile in Switzerland, embodied the idea of constitutional government as opposed to the military dictatorship which M. Venizelos,

with the aid of foreign troops, had imposed on the country since his return to power at the behest of France in 1917. King Alexander's death had left the question of the succession open, and Demetrios Rhallys, who had succeeded M. Venizelos, called King Constantine to return to Greece.

But King Constantine was just as eager to have his position in the Greek body politic rest on a popular vote as M. Venizelos had been reluctant to consult the will of the people. He therefore insisted on a plebiscite. It was held on Dec. 5, 1920, and King Constantine received the suffrages of 98 per cent. of the Greek electorate, despite the effort of the Entente Powers to affect the voting unfavorably by the issue of a joint note on Dec. 2 warning the Greeks that the return of King Constantine would mean a financial boycott of Greece.

SINCE CONSTANTINE'S RETURN

On Dec. 19 King Constantine returned to Greece and was received in extravagant triumph. The European press had explained to its own satisfaction that the defeat of M. Venizelos had been due to war weariness on the part of the Greeks, and on this assumption the French Government, believing that the Greeks would no longer fight to retain the territory they had received by the Treaty of Sèvres, proposed a revision of that instrument, at the expense of Greece and to the profit of both French and Turkish interests. A conference was called in London on Feb. 21, 1921, for this purpose.

Under the leadership of the French an attempt was made at this conference to cut the temporary Greek control of Smyrna to a mere shadow, Smyrna definitely remaining Turkish, albeit autonomous. When this proposal was submitted to the Greek Parliament by Premier Kaloguyeropoulos, it was promptly rejected. But on March 10 the Greek delegates were advised that the Treaty of Sèvres would be revised along the lines laid down, and on March 11 both France and Italy secured payment from the

Turkish Nationalists for their services, in the form of secret agreements by which both countries were granted large concessions for the exploitation of the Ottoman Empire, re-established through their efforts.

This was reckoning without the Greeks. On March 20 King Constantine called three classes to the colors and Greece prepared to fight, single-handed if need be, to maintain the provisions of the Sèvres Treaty. The campaign began immediately, and it was clear that the French assumption that the Greeks would not fight was based, as usual with the French policy toward Greece, upon an erroneous conception of the motives that had moved the Greek people in recalling King Constantine.

The early Greek successes were followed by reverses, but without decisive result either way. More Greek troops have been called to the colors, and, despite French and Italian aid of the Turks, the end is not yet in sight.

So far as the Greeks are concerned, their disgust with the alleged peace which has followed the war is profound. At first blaming M. Venizelos for having failed to obtain at the settlement what he so freely promised when he was seeking election, the Greek people are more and more placing the blame on the great European powers, who have shown a sordid readiness to sacrifice the principles, for which they claimed to have been fighting, for commercial and financial gains.

The Greeks recall the stubbornness with which King Constantine refused to leave neutrality without specific, written guarantees that Greece would not be sold out at the final settlement. They realize that M. Venizelos's policy of tying Greece to the chariot wheels of France has brought only ruin. Crushed under a debt of over \$200 for every man, woman and child in Greece, and with the financial boycott instituted by the powers slowly stifling all Greek economic life, the Greeks today declare with bitterness that "the Turks are the only victors of the World War."

FRANCE'S DEBT TO MYRON T. HERRICK: REVEALED BY AN EX-PRESIDENT

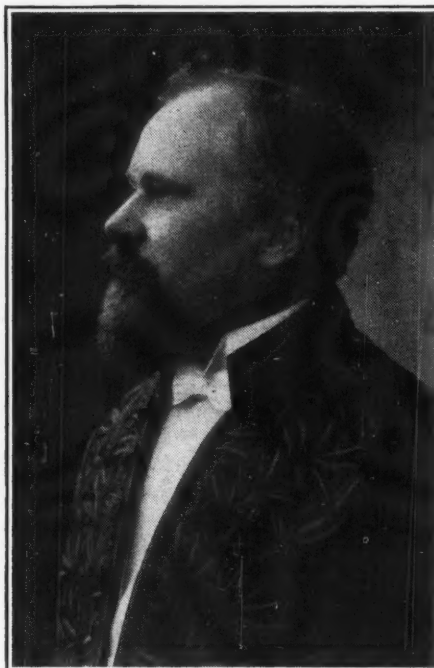
BY RAYMOND POINCARE

FORMER PRESIDENT OF FRANCE*

MYRON T. HERRICK has consented to serve again as United States Ambassador to France. He will find here only old friends. When he returned to Paris several months ago he was welcomed everywhere—in the offices of the various Ministries, in the City Hall and at social gatherings—as one of those Americans who, in these last few years, have best understood and best loved France.

At the brilliant reception given him by the Municipal Council he uttered with deep emotion certain words which went to the hearts of all those present, and which recalled to many there some tragic memories. Among other things, he recalled, with great exactness of detail, the visit which he paid me at the Elysée on Wednesday, Sept. 2, 1914—a visit which is the best evidence of his sincere love for France. Now that Mr. Herrick is again to represent the United States among us, I find myself, naturally, recalling the many friendly conversations which I had with him in those former days, during his first Ambassadry, and also those which I have held with him more recently, during the trips which he has made to Europe since the war. But the strongest impression which I retain is that left on me by the interview of Sept. 2, 1914, concerning which so many absurd reports were subsequently circulated, and which Mr. Herrick recently related so faithfully in his eloquent address at the City Hall.

Several days before this date, General Joffre and General Gallieni, not wishing to be embarrassed in their military movements by the presence of the Government, had asked M. Millerand, then Minister of War, to prepare for the Government's departure from Paris. The Council of Ministers had been confronted with this painful decision since Aug. 29, but, in agreement with the military command, had deferred action. There occurred on Sunday, Aug. 29, a new



RAYMOND POINCARE

President of France during the World War

survey of the situation, at which General Gallieni and the Presidents of the two Chambers were present. General Gallieni explained that the trench system for protection of Paris was far from complete, but stated that even if all the missing links could be rapidly joined up, the capital would be unable to resist a sudden attack supported by heavy artillery. He very wisely, therefore, advised that instead of allowing Paris to be invested we should create out of three or four corps a new army and place it under his command, to form the left wing of the entire French Army, and that wing would fight before Paris. This, as you see, was an anticipated outline of the battles of the Marne and of the Ourcq. While he was laying before us his arguments a German

*Translated from the Paris Temps, issue of April 11, 1921.

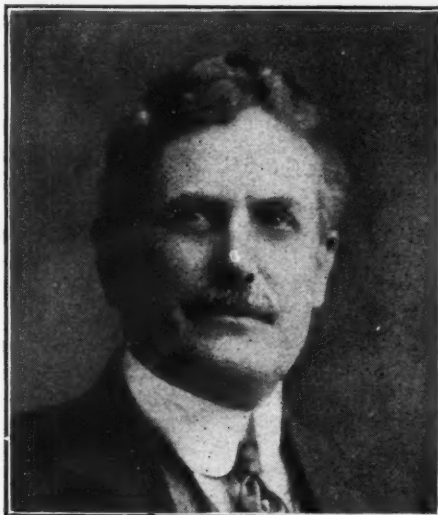
airplane was flying over Paris. It dropped three bombs on the Valmy Quai and into the Rue Vinaigriers, which did not disturb for an instant the population's admirable calm.

The news from the front was somewhat more favorable on Monday, the 31st. Our retreat had slowed down; we had counter-attacked successfully at several points. General Joffre did not insist on the immediate departure of the Government, but he asked that the decision should be agreed upon in principle and that only the fixing of the day for departure should be deferred. Several of the Ministers and I, myself, before taking this decision wished to await the outcome of the battle which was about to take place before Paris; but after repeated conferences with Generals Joffre and Gallieni, the Minister of War declared that he could not assume the responsibility for this delay.

During the course of the same day I had gone to the Saint-Martin Hospital to visit the wounded men evacuated from Mangiennes, from Péronne and from Charleroi, and I had found them sublimely calm. In the streets the crowd, with magnificent unconcern, were shouting: "Long live France!" It was frightfully sad to think of leaving so many good people, and to seem to be deserting them. But M. Doumergue, a member of the Government, described in a few very noble words the cruel obligation incumbent on us: "Duty," he said, "in this crisis consists in appearing to be cowards. But there is perhaps more courage needed to face blind reproaches than to risk being killed or taken prisoners."

On Tuesday, Sept. 1, the army of General Manoury fell back on Paris, and the Minister of War did not deem it possible to delay the departure of the Government beyond Wednesday evening. German aviators had again flown over the city and had dropped menacing proclamations for the amused people to read. On Wednesday, Sept. 2, one of these Taubes, which seemed quite inoffensive, was manoeuvring above the Elysée. The Post Commander deemed it necessary to mount his men on the balconies and to order a section fire. This fusillade had no effect upon the German aviator, but it did frighten the birds of the park, and one of them flew into my office as a place of refuge.

The members of the diplomatic corps had announced their intention to accompany the Government to Bordeaux. Myron T. Herrick alone had announced that he would stay in Paris. "If the city is occupied by the



MYRON T. HERRICK

Ambassador to France, who will also represent the United States in the Council of Ambassadors

Germans," he said, "my presence may not be useless. My country is neutral, and I myself am covered by diplomatic immunity. I shall undoubtedly be able to render some service."

Wishing to thank the Ambassador for his kind offer, I had asked him to come to see me on Wednesday. When he entered my office his face, usually so jovial, was sad and overcast, and the moment we began to speak his eyes, which gazed at one so frankly and directly, filled with tears. These were his words:

"No, I will not leave Paris. Some one must stay here to defend the people's rights. Who will protect your monuments, your museums, your libraries? I shall be able to speak in the name of the United States, and be assured I shall find means to prevent all massacre and pillage."

I told him how deeply it pained me to leave the city, and I swore to him that we would continue the struggle until we won to victory. He answered: "I know that, and I congratulate you. As for me, I do not doubt that you will be victorious. France cannot perish."

In every one of these words there was such a vibration of the soul, such a depth of sentiment, that even if I had not known before his love for France, I should have been convinced that day that we had few friends as true and devoted as he.

He loves us, because he has seen French life from the inside, because he has been able to observe and to appreciate certain fundamental qualities which strangers often do not see. Long before the war he understood that we were not, thank God, the showy, frivolous and corrupted people which the German writers have so often depicted. He described us to his compatriots as we were yesterday, as we are today, and he told the truth about us before the Marne and Verdun revealed to the world a France too little known. In the future delicate negotiations which it still remains for us to conduct with the United States he will be, I doubt not, in time of need our witness and our bondsman. It is not he who will remain silent when calumny insinuates that France is an ambitious, turbulent, and imperialistic State. Like M. Viviani and M. Jussarand, like his own successor and predecessor, Hugh Wallace, he will remain what he has always been—a good worker for the Franco-American entente.

M. Henry de Jouvenel said the other day, from the Senate platform:

We behold, perhaps, one of the most singular and deplorable misunderstandings of history when we see how the great American people came to the aid of France, disembarked here hundreds of thousands of men, who died shoulder to shoulder with ours, and then departed without having learned to know France.

And amid the loud applause of the Assembly the orator added keenly:

The explanation is that a million of them came to make war, while only one came to make peace.

Yes, only one came to make peace, and with our national mania for personification we imagined that he was all America. I can still see before my eyes the wildly enthusiastic welcome which President Wilson received on Dec. 14, 1918, along the avenues of the Bois de Boulogne and the Champs Elysées. He himself seemed overcome by it. It was not a man which had come to us: it was a world. According to certain people who posed at that time as the only interpreters of our guest's mind and heart, it was our duty to treat him as a kind of sacred being. I was severely blamed by these persons when, in the toast which I addressed to him that day, I was so bold as to advise him to go directly to the devastated regions, adding: "For the suffering and sadness of yesterday, peace must bring reparation; for the perils of tomorrow it must be a guarantee."

In conclusion I would say that since Mr. Wilson forgot the existence of an American Senate, we believed ourselves justified in forgetting it also. Somewhat late we have awakened from our long dream to realize that the mind of America was not contained solely in the fourteen points of Mr. Wilson. But this blunder can still be redeemed today, if not completely, at least in large measure. Happily, America has not ceased to love France, nor has France ceased to love America. Men pass, nations remain. The inherent reasonableness of the nations will enable us to fashion out of peace with Germany a reparation and a guarantee.



THE DRAMA OF BRITISH LABOR

BY FRANK DILNOT

An illuminating explanation of the English labor movement, the new power of the trade unions since the war, their apparent threat of revolution, and what restrains them from a violent use of their strength—Historical antecedents of the coal miners' strike

THE story of organized British labor reaches back to the times when what we know as the English people was in the making. The present challenge of the miners and railwaymen and of other trades is but the culmination of a long serial, and the narrative throughout manifests on the part of the contestants a special spirit—a spirit which, for want of a better term, we may characterize as Anglo-Saxon—a mingling of conservatism and forceful resolution, a persistence in action rather than loud words, above all a tenacity which has descended from one generation to another. These qualities have been shown on both sides and are being shown now. They would inevitably lead to tragedy were it not for some other Anglo-Saxon qualities, and notably a desire for achievement rather than for triumph, a willingness for compromise, if essential aims can be secured; in other words, a common-sense moderation when the final issue has to be faced.

Back before the Reformation there was what was known as the Guild system in Britain, definable as a combination in various industries for the common benefit of those industries. In the time of Henry VIII. this Guild system was submerged, but with the growing commercial activities of Britain in the seventeenth century, and especially in the eighteenth century, there were renewed indications of the coming together of workmen in the effort to protect and improve their conditions. Before the time of the American Revolution there were in existence at least some organizations which had resemblance to the modern trade unions, although they were frowned upon by employers as being opposed to the general interest. Indeed, the Combinations Laws, as they were called, made it illegal for workmen to combine to increase wages. Nevertheless, in the first twenty years of the

nineteenth century many trade organizations were formed, and there were contests and repressions, and not a little tyranny by those in authority. The struggles led to the repeal of the Combinations Laws in 1825. It is thus within the span of a hundred years that we find the trade unions in Britain have advanced from being under the ban of the law to being practically law-makers. There is a possibility that before the century is completed the trade unions will be forming the law of the land which, four generations ago, considered their purposes as criminal.

The War of Independence in the United States, followed by the French Revolution, stimulated enormously the minds of the common people of Britain. This leaven worked more and more powerfully under the exploitation-pressure arising from the development of the factory system, which herded men, women and children together at starvation wages for long hours of work—a result of the increase of population, of modern invention, and of the increasing world trade and demand for British goods. And thus we arrive at the ferment which was the beginning of the British labor movement as we know it today.

For many years trade unions were regarded in England with dislike and contempt, and they were forced to wage a continuous and bitter fight, although all the time they were growing in power and substance. The rights of man, as distinct from the rights of property, steadily made their way in popular esteem, and about fifty years ago an act of Parliament established the legal status of trade unions with a protection for their funds. During the next twenty years, from 1870 to 1890, the British trade unions forged ahead, slowly at first, but latterly with increasing momentum. It is interesting to look back and see how the

opinions held by the leaders—opinions which we should now regard as those of very moderate Liberals—were labeled at that time as the tenets of dangerous revolutionists. It must be remembered that those whom we now class as Socialists were in that period but scattered individuals classed as visionaries outside the pale of practical consideration. It was the trade unionists who were the real labor movement. And in spite of the loud vocal effort of the Socialists of today, it is the trade unionists who remain the real labor movement of Britain.

A few figures will show how the trade unionists have progressed. There is an annual congress of the trade unions which delegates from the various societies attend, and the number of union members represented has been tabulated for each year. Here are the figures at intervals of ten years from the start of the congress:

1868.....	118,367	1898.....	1,200,000
1878.....	623,957	1908.....	1,777,000
1888.....	816,944	1918.....	4,552,085

When the figures for 1921 are available it will probably be found that the trade unions of Britain total about 6,000,000.

A little over twenty years ago it became increasingly evident to some of the wiser heads of the rapidly growing labor movement that what is called industrial action—that is to say conflicts and agreements between employers and workmen—was not effective as a means of realizing in their full scope the humanitarian aims of the great mass of the community represented by the unions. There then sprang into existence what was known as the Labor Party—distinct from the comprehensive labor movement—whose methods were to be political rather than industrial, and which organized to elect members to Parliament and to the local municipal bodies. The Labor Party consisted principally of trade unionists, but it also took in Socialists and other sympathizers. Many trade union leaders were Labor Party leaders, and there was and still is a good deal of overlapping with the leading personalities of one filling an important part in the other, although the trade unions and the Labor Party have remained distinctly separate institutions. When we speak of the labor movement we mean the whole body of labor, as represented both by the Trade Union Congress

and the Labor Party. The labor movement, therefore, includes constitutional trade unionists and theoretical Socialists like Ramsay McDonald and Philip Snowden.

It is thus explainable that there are wide divergencies of opinion in the movement,



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ARTHUR HENDERSON, M. P.
Leader of the British Labor Party

ranging from extremist groups to a multitude of members who are of what may be called the moderate type. It is important to note that this moderate type probably outnumbers the others by ten to one. The Socialists and extremists, however, are more gifted in expression and more forceful in temperament, and thus they often secure an unwarranted influence in the councils of the labor movement as a whole. They draft many of the resolutions; they form much of the policy. Small groups of them in the unions sometimes bring to bear a disproportionate influence in industrial action—in strikes, for example. The actual trade union element in the labor movement may be gauged by the fact that at the beginning of war the outside Socialists numbered 50,000, as compared with over 3,000,000 trade unionists.

When hostilities began labor had a spe-

cial party in the House of Commons numbering about forty, which for some years had exercised considerable influence, not only in debate, but also in the modification of Government policies. That group of



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J. F. CLYNES

*Labor leader in British Parliament, and
former Food Controller*

forty constituted the political voice of the trade unionists who make up the mass of workers in all the great industries, and who, after fifty years of struggle, have forced themselves into a position of equality in negotiations with employers. There were 15,000 trade union branches throughout the country. Every union which had organized itself for individual and separate action was, with an occasional exception, a member of the Trade Union Congress, the general Parliament of Labor, which met for a week each year to formulate policies near and distant, and to decide on various forms of administrative action for the coming months. This was the situation when war broke on the country.

Although both the labor leaders and the rank and file rapidly united in patriotic ef-

fort, fears were openly expressed that the labor movement would be adversely affected as a result of the war. Those fears were intensified in the next month or two, when in order to speed up special war production it became necessary to ask the Trade Unions to abrogate many of their cherished and hardly won privileges. It was necessary to impose restrictions against workmen leaving one factory and going to another for higher wages, necessary to establish piece work where piece work had hitherto been forbidden; it was necessary to admit women and boys to certain departments of industry, and to engage the unskilled or half-skilled to do work that had hitherto been expressly reserved for the expert members of the trade. All these and many other changes were assented to only under the pressure of war, and with many forebodings for the future. The Government, it is true, promised to re-establish the old state of affairs when the war was over, but Governments were regarded as untrustworthy in their relations with labor, and war might well provide an excuse for breaking up an organization established by fifty years of effort and hardship.

Never were fears so groundless. The war had not run half its course before it was seen that Labor was to be not weakened, but strengthened; strengthened beyond measure. It was a war of peoples, not of Governments, and the war was to be won not only by the workmen who were fighting in the trenches, but also by the workmen on the farms and in the factories, and by their wives, and sisters, and sweethearts.

Several labor leaders went into the Ministry. One of them, Mr. Clynes, eventually became Food Controller of the whole country. Meanwhile Trade Union membership went up by leaps and bounds. Here are the official figures of Trade Union membership for the four years of the war:

1915.....	2,677,357	1917.....	3,052,352
1916.....	2,850,547	1918.....	4,552,085

Consciousness of power in the labor movement was one of the new factors. Another was the change of mood induced by the sufferings and sacrifices of the war. Men and women who had struggled for a livelihood in the old days had acquired a new outlook on life; they wanted new arrangements which should give them a better time all

around. And this mood, combining with the realization of new power, has been the great motive force in bringing about all that is happening now.

The keener brains in the labor movement began to organize for the future. The first sign of this was in 1918, when membership in the movement, which had been previously confined to manual workers, was thrown open to brain workers as well. Even more significant, however, was the organized campaign set afoot to secure a greatly increased number of candidates for Parliament. What general policy did this enlarged and vitalized labor movement have in mind? I quote from the official "Labor Party" book, which gives a summary of the proceedings of the big conference held in June, 1918, and which speaks of the new program thus:

It lays down the doctrine that what has to be constructed after the war is not this or that Government department, or piece of social machinery, but society itself. The party declares that whether in opposition or in office it will not tolerate the revival of the social and economic system the war has destroyed, but will seek to build up a new social order built on a plan of co-operation in production and distribution for the benefit

of all who labor by hand or by brain. Four propositions are laid down in the memorandum, propositions upon which the party proposes to establish a democratic control of all activities of society:

Universal enforcement of the national minimum (of wages).

The democratic control of industries.

The revolution in national finance.

The surplus wealth for the common good.

The report goes on to say that what is contemplated is not only the wholesale nationalization of railways, mines, shipping and canals, but also the retail distribution by the Government of commodities like coal and milk.

Even when all allowance is made for the sweeping rhetorical assertions of political parties in formulating their program, there is sufficient definiteness in these words to cause some anxiety about the future among those who think that the leaders of the labor movement leave out essential factors in human nature in their decisions, and in their enthusiasm are inclined to take short-sighted views. It is necessary, however, to bear in mind that English political progress has always been a step-by-step affair, a matter of common-sense expediency. History has shown that the British proceed



(© Kadel & Herbert)

THE "BIG FOUR" OF BRITISH LABOR, REPRESENTING THE STRONGEST UNIONS IN THE UNITED KINGDOM. LEFT TO RIGHT: H. MORRISON, SECRETARY OF LONDON LABOR PARTY; FRANK HODGES, SECRETARY OF THE MINERS' UNION; HARVEY GOSLING OF THE TRANSPORT WORKERS, AND J. H. THOMAS, RAILWAY UNION LEADER



(© Underwood & Underwood)

BRITISH COAL MINERS ON STRIKE, STARTING A MINE ON THEIR OWN ACCOUNT. THEY ARE SINKING A SHAFT TO REACH "SURFACE COAL," AT A DEPTH OF ABOUT 25 FEET, WHICH THEY PLAN TO GET OUT AND SELL IN THE NEIGHBORHOOD

through experiment, and not through great idealistic conceptions. It is a racial tendency, and the tendency is as strongly marked among the rank and file of the trade unionists as it is among other classes of the community. In surveying the circumstances it is impossible for an impartial observer to avoid the conclusion that violent revolutionary schemes will defeat themselves owing to the nature of the English people, without distinction of class. It is just a question of whether that after-the-war mood, the new financial needs and circumstances, and the added power of labor, will be sufficient to break down the traditional conservatism.

One department of labor that has been strengthened by the war is what is called the Triple Alliance, a special sectional combination for common purposes of the three great unions representing the miners, the railway men and the transport workers. It is unnecessary to say that common action by these three unions would hold the nation up to ransom. From time to time, when one or another of these three parties has

been engaged in a dispute, there has been talk of united action by the three, but it has never yet come to pass. In this hesitancy one gets a view of the caution of the workers as a whole. What is going on at the present moment is a psychological battle between these common-sense tendencies and the combined new moods and new circumstances arising from the war with their urge toward violent methods. The sinister possibilities of the general labor situation in Britain have been demonstrated several times in the last year or two, and they all point in the same direction. Impatience under a sense of injustice, and a consciousness of overwhelming power have led a great number of workers to consider a short cut to a new order of government.

"Direct action" is the phrase which comprises the new-visioned policy, and it means that one union or a group of unions with power over a vital industry shall stop that industry until political, as well as industrial, demands are granted. For a long time past it has been tacitly agreed that the workmen as represented by the unions have the right

either to give or to withhold their labor when the question at issue is a matter of wages or of conditions of work. But a new interpretation has been put upon this prerogative coincident with labor's growth in power. Labor has contended in effect that it has the right to call a stoppage of work in order to impose a policy on the nation. Labor leaders defend this view by the assertion that labor is banded in a political party whose right it is to form conclusions as to what is best for the whole community, and imply that since the workers are the larger part of the population they have the right to say how life shall be lived.

The opposition view, as represented for the moment by the Government, declares that what this comes to is a demand by one section of the people that it shall hold all the people up to blackmail in order to push some special political desire, which may be right or wrong. It is held that this is the antithesis of democratic government, and that all alterations in the laws should be made by the House of Commons elected by the votes of people of all classes. In other words, there is a tendency in the labor movement—not yet pushed to an extreme point—to challenge the Constitution.

Most of the recognized labor leaders are men with a good deal of training and responsibility, men who foresee that the overturning of the British Parliamentary system would lead nowhere. A new system would have to be devised, and there has not yet been suggested any kind of plan which would equal the popular advantages of the present Parliamentary arrangement. Labor has only to secure enough votes to have an instrument to its hand in the existing Constitution.

The threat of direct action was made in the big railway strike of 1919. It has reappeared during disturbances created by the miners since then. In August, 1920, a joint consultation of the labor movement threatened to instruct all trade unionists to lay down tools if there was war between the allied powers and Russia on the issue of Poland. In July, 1920, Robert Smillie said:

Rightly or wrongly, the miners believe that the public ownership and development of the mining industry will be in the interests of the safety of the mining community. That is a point on which I am not prepared to

allow the general views of the people to weigh against my own.

One of the demands made last year was that troops should be withdrawn from Ireland, and this demand was accompanied by another threat to down tools. Nothing was done because the vast mass of the common people in Britain realized that, whatever the incidental evils, the Government could pursue no other course than to strive to restore law and order in Ireland. Aided by the general discontent arising from the war, the extremists have gained considerable power in the labor movement, and it is they who are responsible for many of these resolutions and decisions. The more prominent labor leaders are not blind to the dangers of the situation. In the course of a speech last year J. H. Thomas, the leader of the railwaymen, said:

Half the difficulties we are experiencing are due to the fact that trade unionists always allow the minority to do their business. If the men consider their leaders obsolete, they know how to deal with them; but nothing but disaster will overtake the great working class movements unless a spirit of loyalty and majority democratic rule be exhibited by those who call themselves trade unionists.

There was also a pronouncement from John Hodge, one of the most successful trade union leaders in the country. His words go to the root of the matter:

At the general election the rank and file of the workers had the opportunity of voting for labor men, and had they done so consistently there would have been a bigger Labor Party in the House of Commons today. Even in the subsequent by-elections there has been no great evidence of the workers rallying to the support of labor candidates. What is the reason? It is simply this, that the extremists are damaging the labor cause by their advocacy of political methods that destroy themselves by their violence and scare away a great body of sympathetic electors.

The revolution in money matters produced by the war has a good deal to do with the situation. All previous standards are upset. Prices have risen enormously and wages have also gone up. There are disputes as to the actual ratio, but it may be taken as a pretty general guide that the cost of living and wages have both risen 100 per cent., although there are naturally many anomalies and inequalities. And in this connection it has to be remembered that the workers are claiming not merely

pre-war standards, but a better scale of living arrangements, in relation both to hours and to wages. The following official tables concerning the miners, prepared by the Government a few months ago, show the increase of workers, the decrease in product and the rise in wages:

MINING WAGES AND OUTPUT

Number of workers:	
1913.....	1,110,000;
1920.....	1,206,000 ^b
Increase.....	
Output:	96,000
1913 (tons).....	287,500,000
1920 (tons).....	240,500,000
Decrease	
	47,000,000

AVERAGE ANNUAL EARNINGS

(All classes of mine workers, including boys:)

1913.....	£82	1920.....	£222
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It may be added that miners are supplied with free or cheap coal for their own consumption to the value of £8,000,000 a year.

Similar results are shown for another class of workers—namely, the agricultural laborers in England and Wales. Here are the figures:

AVERAGE WAGE, 1914

	Shillings Pence	
Special classes	20	6
Laborers	18	2

AVERAGE WAGE, 1920

	Shillings Pence	
Special classes	51	5
Laborers	42	7

(By special classes is meant workmen who are employed as stockmen—that is, horse-men, cattlemen and shepherds).

If the stable element in the labor movement is able to withstand the encroachments of the new spirit—and I think on the whole that this is more probable than the triumph of the latter—then there must be hammered out some line of progress to enable labor to move forward coincidentally with the welfare of the nation as a body. Labor is certain not to lose a great part of the power which has so dramatically come within its grasp. The general election following the war increased the Labor members in Parliament from forty to sixty, and this was under adverse circumstances for labor. It is certain as anything can be that there will be a large increase in members at the next election. Meanwhile, in industrial

fields, labor by its organizations will be stronger than ever. It will be able to dictate terms up to the point where employers will have to shut up their business rather than suffer a loss.

What, then, short of revolution, is the probable course of events? There are several indications. What are called the Whitley Councils provide the best illustrations. In the early part of 1917 an official committee under the chairmanship of Mr. Whitley, Deputy Speaker of the House of Commons, reported as follows:

In the interests of the community it is vital that after the war the co-operation of all classes, established during the war, should continue, and more especially with regard to relations between employers and employed.

The Government took up this proposal, and organizations for working people were started in many industries; these have been continually added to since the beneficial effects of the new procedure were made apparent. Industrial councils in each case take into consideration not only wages and hours, but the general surroundings of the business and all connected circumstances. Such questions as the best way of conducting the business and of fixing prices enter into the discussion. There is in effect a continual consultation as to the welfare of the business as a whole, in the realization that the fate of the workers is linked together with that of the employers. Sixty industries, comprising 3,000,000 workers, have already set up industrial councils of this kind. And although the procedure is yet in its infancy, and though some mistakes have been made and there have been here and there disappointments, yet the general results are so encouraging that in the development of this Whitley Council idea may be found a new method of common effort which will satisfy the needs and ambitions of labor, and which, at the same time, will build up the interests of the community. There are some individual movements running on parallel lines to the Whitley Councils. The general stream of tendency is well marked. It is this new method of co-operation which is bound to be the rival of revolution, and the instincts of the British people make it reasonably sure that this line will be followed.

The course of events has been sufficiently

demonstrated by the present miners' dispute (May, 1921), which, for a time, seemed likely to involve the Triple Alliance in a challenge to the nation. All the various moods which I have cited were in operation, and it seemed almost to the last moment as though violence was to triumph. The mine owners wished to reduce wages, and, in view of the freeing of the mines from Government control, it was apparent that adjustments would have to be made if the industry was to be saved from bankruptcy. The Government had said in effect that it was unfair that the community, as a whole, hard pressed in many directions, should subsidize the coal-mine industry in order to better the lot of the miners as a class; the industry must pay its way, like every other industry.

The miners resented the reduction of wages and demanded that the coal-mining of the country should pool its profits so that the profitable mines should provide higher wages for the mines which were unprofitable. This, of course, amounted in effect to a demand for nationalization of the industry. The British Government took a firm stand on the ground that political changes must be produced by political means, namely, through the elected House of Commons, and not through the influence or threat of any particular class of men.

The miners enlisted the sympathy of the railwaymen and the transport workers, but at the last moment these other organizations broke away, owing to the fact that large numbers of them shared the view of the community outside of labor, a view that was effectively put forth by Mr. Lloyd George on behalf of the Government. And thus again British common sense prevented catastrophe.

The struggle is not over. Even when this miners' dispute is settled there will be other labor uprisings from time to time. There may be more threats of revolution, but there will be no revolution in the ordinary sense of the word. There will almost certainly be a more or less gradual transformation of the system of wages and profits, which historians, centuries hence, may be justified in classing as a revolution of the kind which has not been uncommon in British history—a revolution effected by the general will of the people, as a whole, to meet the needs of the present and the future. In this sense the labor movement of Britain will be making history from now onward, not only for the British people, but possibly, also, in some directions, for other countries as well; for it is inevitable in these days that fundamental social changes should have their reactions quite irrespective of national frontiers.

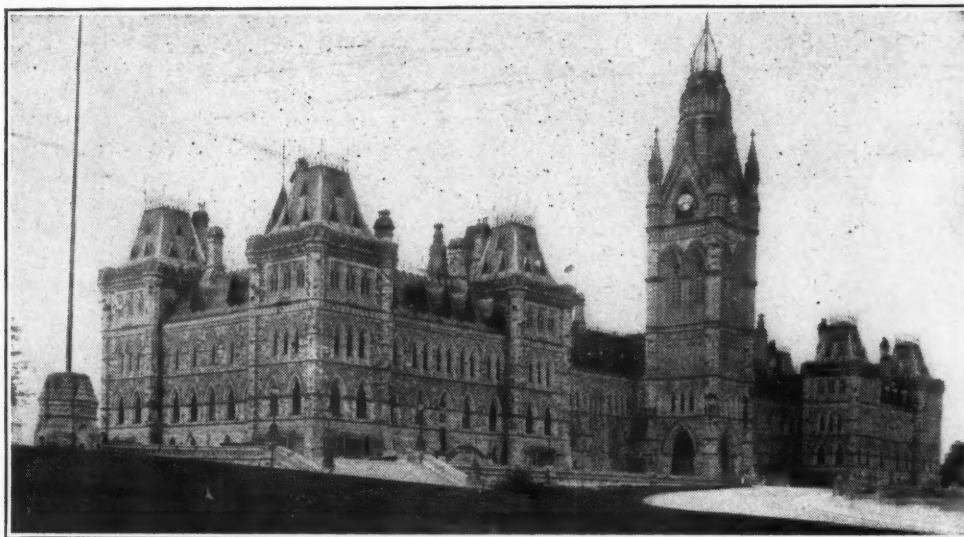
CANADA'S NEW HALL OF FAME

BY JOHN GLADSTONE GRACE

FAME has been described as the flickering white light that lures some ambitious men to imperishable glory, and others to destruction. "Antony sought for happiness in love; Brutus in glory, and Caesar in dominion, but each found destruction." These, however, are extreme cases, and each nation of the world today has its roll of famous men whose lives have been given to their country's service, at home or on the battlefield. These names it is only fitting to commemorate. This Canada plans to do by the creation of a Hall of Fame in the new Parliament building constructed at Ottawa to replace the edifice so mysteriously destroyed in 1916. This Hall of Fame in the palatial Canadian

Capitol will surpass anything of the kind on two continents. The work has now progressed so far that the niches are almost ready for the statues.

The idea of a Hall of Fame has long ceased to be a novelty. The State of Ohio has its Hall of Fame in the Capitol at Columbus, where the bust of President Harding will ultimately be added to Ohio's honored trinity—Garfield, Grant and McKinley. The truly representative Hall of Fame for America, however, is at present on the grounds of the New York University. Canadians were much interested to learn that among the seven new names recently added to this gallery were those of Patrick Henry and Mark Twain, who will hence-



(Photo Wide World Service)

THE NEW PARLIAMENT BUILDING AT OTTAWA, CANADA, THE MOST BEAUTIFUL STRUCTURE OF THE KIND IN THE WORLD

forth be recognized as belonging to the canonized benefactors of the great Republic.

W. H. Northrup, K. C., who for twenty-five years was a leading member of the House of Commons and of the Ontario bar, will have temporary charge of the Canadian Hall of Fame, pending the election of a tribunal whose duty it shall be to select the candidates for immortality. It is hoped that this tribunal will be composed of men of broad mental calibre and unerring judgment. The whole value of the project will depend on the mode of selection.

Above all, this new temple of national patriots must be symbolic of Canada's past and its rise to unity. To all Canadians, including the 300,000 Canadian soldiers who fought on the fields of Flanders, the former Parliament building at Ottawa—destroyed, it is believed by many of us, at the behest of Germany—was the symbol of Canadian Confederation. It was a tangible reminder of the great Gladstone, who in 1854 saw the shadows of disintegration coming, and who advocated a united Canada. It was also a monument to such men as Darcy McGee, who was the pioneer leader in bringing about confederation. McGee, to a much greater extent than Macdonald, Tupper, Brown, Mowatt, Cartier and

others, was international in the sweep of his vision. The actual existence of Canada's national Parliament dates back to the year 1860, when the late King Edward, then Prince of Wales, came from England to lay the cornerstone. It is interesting now to note that there was strenuous opposition to Ottawa as the Dominion capital; had it not been overcome, some other Canadian city would have been chosen as the seat of government, just as Georgetown, in all probability, would have been selected as the capital of the United States, had not Washington, Jefferson and Madison insisted on the present location.

The Canadian Hall of Fame will be devoted mainly to Canadian patriots, but it will also recognize some international figures. The Canadian Committee will aim to avoid the chief faults discernible in Westminster Abbey. The deans who guard posterity, and who decide who shall or shall not rest in England's famous Pantheon, were startled recently, when revising the names of the celebrities interred there, to find several whose family trees it was quite impossible to trace and whose title to fame could not be discovered. There was no more record of these persons than if they had walked in from the street and registered. The Canadian Committee will

not waste space on mere titles and patents of nobility. Only merit will count in our Hall of Fame. Knighthood is no longer in flower in the Dominion, for the law of 1918 prohibits any citizen of Canada—with the exception of war veterans—from accepting any decoration or title from any source.

There will, of course, be differences of opinion as to who should be among the first to have their statues niched in the new Hall of Fame, but some there are whom the Canadian nation, by common consent, will wish to honor. These will include the Confederation's first Prime Minister, Sir John Macdonald; the Hon. Edward Blake, founder and leader of the Liberal Party, and the empire's foremost lawyer; Darcy McGee, already mentioned, statesman, poet and orator; Baron Thomas Shaughnessy, head and largely the creator of the Canadian Pacific Railway; Sir William Osler, one of the world's foremost physicians and scientists; Sir Wilfrid Laurier, famous orator, for forty years in Parliament and for fifteen years Prime Minister of the Dominion; Dean Harris, scientist, geologist, theologian and author; Sir Charles Tupper, distinguished parliamentarian and empire-builder.

What will the Hall of Fame be like?

This Dominion Court of Honor in the finest parliamentary building in the world will stretch from the Memorial Tower, which rises 300 feet above the main entrance, directly across the entire structure, to the Library at the rear, which overlooks the "Lovers' Walk," the Ottawa River and the Gatineau Mountains beyond. Flanked on the east by the Senate Chamber and on the west by the House of Commons, the Hall is about 300 feet long and 30 feet wide. The whole is adorned with a barrel-vaulted marble ceiling. The Dominion is proud of the fact that the material for the whole building was found within its own boundaries, with the exception of small quantities of Tennessee marble and Vermont granite used for color-blends, and of teakwood and ebony from distant India and Africa, used for finishing. The estimated cost of the Parliament Houses, in which the Hall of Fame is lodged, is approximately \$10,000,000.

In the Memorial Tower will be preserved the fame of Canada's soldiers in the great war. A special war chamber in this tower will contain the names of the entire Canadian Expeditionary Forces, and here will be inscribed with due recognition the names of the 65,000 Canadian heroes who sleep in Flanders fields.

TREATY DAY WITH THE CANADIAN INDIANS

ONCE yearly there takes place in the far northland of Canada one of the most picturesque of scenes, an event which is historic, but of which the outside world has heard nothing, probably because few travelers enter the region. This annual event, known as Treaty Day, has been repeated yearly for a little over half a century, and will probably continue for countless years to come. Treaty Day is the day on which a member of the Canadian Government ratifies an agreement with the nomadic Indians of the far northland. In payment for taking over the Indians' lands, the Government, during the reign of Queen Victoria, promised as follows:

Her Majesty agrees that each chief after accepting the treaty shall receive a silver medal and a suitable flag, and every third

year thereafter shall also receive a suit of clothes.

The headman of each band also receives a suit of clothes. To every common member of the tribe the sum of \$5 is given; the chiefs receive \$25 and the headmen \$15 each. There are also given to each person ammunition and material for net-making to the amount of \$1 per person. The treaty adds that this agreement shall be ratified "forever and aye."

The meeting places agreed upon—generally the site of some trading post on the bank of one or other of the great northern rivers—are yearly visited by the Indians upon a set date. Here, upon the open plain, the Government agent stands, surrounded by the Indians. Upon a box or table lie huge bundles of \$1 and \$2 bills; bills larger than these are not looked on

*(Photo Francis Dickie)*

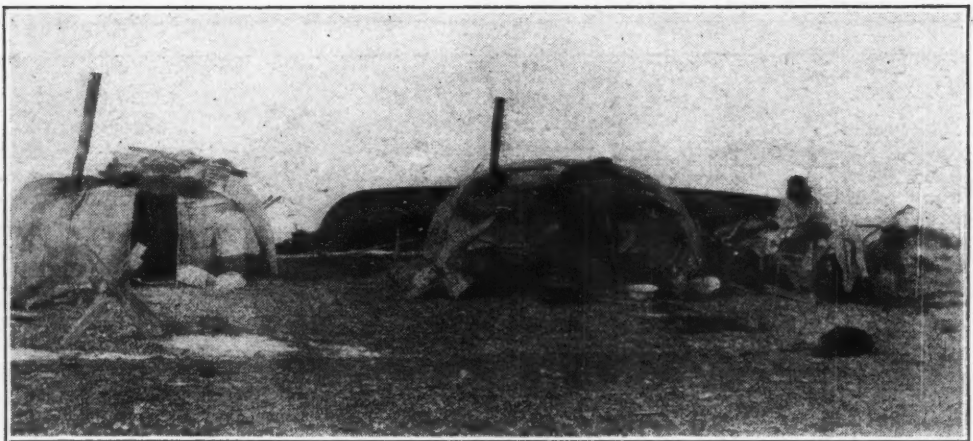
INDIANS OF NORTHERN CANADA WAITING TO RECEIVE TREATY PAYMENT FOR THEIR LANDS. THESE PAYMENTS ARE MADE BY THE CANADIAN GOVERNMENT EVERY YEAR AT VARIOUS POSTS IN JUNE AND JULY

with favor by the Indians. Beside the money lies a book in which the names of all the tribesmen are inscribed. According to their standing in the tribe, the men and women come forward; first the grave and dignified chiefs, next the headmen, and then the younger tribesmen and squaws with their papooses.

The Indian agent, who is always a man familiar with the Indians from long years of dwelling in the north country, and who generally speaks several native languages, knows a great many of the people by sight. For one and all, as he makes the allotted payment, he has a kind word and question as to their welfare. Sick members are inquired about, and medicine is sent to those whose cases the agent can diagnose from hearing a description of their ills. Once in a while some squaw, unaware of the system of the white man, tries to carry out a mild fraud. Gathering around her several children belonging to other mothers, she marches them up to the agent along with her own one or two children, and unblushingly pretends that they are all her own. If she could succeed in this fraud, it would be very profitable for her, as \$15 is paid her for each child. But in his book the white man has her name, and the fact is noted that last year she received treaty money for only two children. So now,

when she presents herself with five, the agent points out that though such a rapid increase to the family would no doubt have gladdened the heart of the late Mr. Roosevelt, the Canadian Government cannot possibly accept the view that any woman can have three new children in one year, particularly as several of them are three or four years old. So the ambitious lady finds that the white man has some knowledge that is beyond her reckoning, and goes sadly away.

Annually about \$100,000 in \$1 and \$2 bills is paid out to these nomadic Indians for the Government's use of their land. Since the land thus paid for yearly was never owned by the Indians, in the white man's sense of the term, and since the Indians roam as freely today as they ever did, with their hunting, fishing and trapping rights absolutely unrestricted, the Government's treatment is indeed generous. As this land will probably always remain much as it is today, the clause which says that the treaty shall be ratified yearly, "forever and aye," bids fair to be fulfilled. Each year, certainly, when the ice goes out on the northern rivers, and for a very long time to come, will see the Government agent on his way with his wooden boxes full of bills to pay the money promised by the "Great White Queen" more than half a century ago.



(Photo Francis Dickie)
TYPICAL SUMMER HOME, OR TUPIK, OF THE ESKIMOS IN THE HUDSON BAY DISTRICT OF
NORTHERN CANADA

THE ESKIMO OF TODAY

BY FRANCIS DICKIE

TO those who have imagined the Eskimo in the Canadian arctic regions as a fairly numerous race, it may come as somewhat of a surprise to know that, according to the latest Mounted Police census, the entire Eskimo population in the Hudson Bay district was only 1,107, made up of the following tribes: Kenipitumiut, Padlingmiut, Shaunuktungmiut, Avilingmiut, Iglulingmiut, Nechillingmiut. The first-named tribe is today practically extinct. Probably four of the tribe might be found after a careful search of the Hudson Bay region near to the coast. The tribe of Iglulingmiut has also lost its identity as a separate body through absorption by the Avilingmiuts. There are several other tribes throughout the vast arctic stretch of the Canadian northland that do not come within the population figures given above. Some of these Eskimos on the Pacific side of the continent are very primitive, living almost like men of the Stone Age. It is, therefore, impossible to make an accurate census, but with the available data, supplemented by the estimates of Mounted Police and missionaries, it is safe to say that the entire Eskimo population of Canada today does not exceed 3,000 persons, if indeed the number actually reaches this figure.

From years of contact with whalers, exploring parties and visiting scientific men,

the Eskimos on Hudson Bay and along Coronation Gulf and Beaufort Sea on the western side of the continent have become to some extent modernized, so that they know the use of guns and many of the white man's tools. They have also formed a taste for tea and sugar and tobacco; tea and tobacco are specially prized. Some of their Summer homes, or tupiks, have stoves; if not a whole stove, at least a stovepipe. The stovepipe is a valuable article of trade among them, and where there is no stove to go with it, it is still put through the roof to carry off the smoke from the oil lamp, as well as to waft away the varied and wonderful odors common to a people living under these conditions.

In spite of adopting many things from the white man, however, the Eskimo still remains much like his forefathers. Living by hunting in a land of almost eternal frost, drinking blood and eating meat almost entirely, mostly very fat and often rancid, the Eskimo, as might be expected, is not overly clean. What little water he does use is melted at great labor over a stone bowl filled with seal oil, for which a bit of dry tundra moss serves as a wick. But for all his savage diet, and his not unnatural uncleanness, the Eskimo is one of nature's noblemen, and has been spoken of favorably by every explorer, scientist, and whaler who

has come in contact with him. It may safely be said that the majority of these men have found the Eskimo superior to the Indian in business honesty, in ability to cope with his environment and as a companion.

A particularly interesting and almost unique thing in connection with the modern Eskimo is that though none of the natives of the northland had a written language a hundred years ago, they have one today and books are published in it. This written language is phonetic, and was invented by a missionary named Evans. Nearly a hundred years ago Mr. Evans came out from Scotland to the settlement of Selkirk, a Red River trading post in what is now Manitoba, Canada. After years of personal contact with various tribes of Indians, he created this written language, which was so successful that slowly it spread westward and northward to the shores of the Arctic

Ocean and the Pacific, until today the illiteracy among natives of the northland in proportion to the population is less than that existing in some of the cities of civilization. The principal books published are Bible; and hymn books; the hymns appeal to the Eskimo particularly.

The Eskimo religion, if such it may be called, is a great collection of myths, with a vast and complicated system of things taboo. To a white man it is difficult to comprehend how these people can remember all the things they must not do at certain times, all the rites to be observed and all the spirits that have to be propitiated.

A brief recital of a few of these is enough to show how hard, after all, is the way of the good Eskimo who lives up to his beliefs. When the men are away hunting sea animals, such as the walrus, seal or polar bear, the women must do no work on the hides of land animals. Also when the men are hunting land animals, such as the caribou, musk-ox or white fox, the taboo works in the opposite way. The men must do no work on iron for three days after hunting the polar bear. This is a modern taboo, arising since contact with the white men. The first seal killed must not be brought through the door of the dwelling, but through a special hole cut for its entrance. Before bringing the seal in a knife is run into its dead eyes to prevent its soul from seeing the interior of the home. It is very often difficult to understand the Eskimo's explanation of certain things. When the men are hunting on the ice, the women must not touch any of the bedding in the dwellings, for fear of causing ice cracks to open and thus cut the men off from land by open water. But one could go on for dozens of pages and still overlook some of the minor taboos.

The Eskimo idea of a future life is very vague, but in many ways it resembles the Indian conception, in that it is believed that the body still lives on and retains its corporeal wants. These wants are always supplied abundantly by the relatives of the deceased. When an Eskimo man dies, his body is carefully wrapped in fur. It is then buried under a great cairn of stones, probably for the reason that the ground is always frozen too hard to permit of grave digging. Around the grave are placed all the possessions of the deceased—guns,



(Photo Francis Dickie)

AN ESKIMO BELLE

Partly in the garb of civilization, partly in that of the northern wilds



(Photo Francis Dickie)

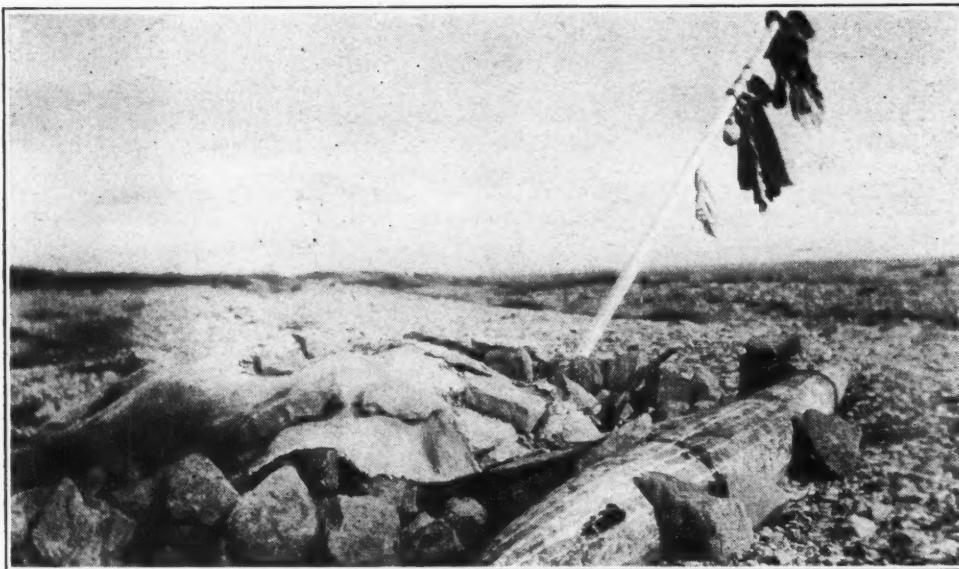
AN ESKIMO HUNTING PARTY PREPARING A MEAL AFTER A SUCCESSFUL SEAL HUNT
ON THE ARCTIC ICE IN THE FAR NORTHERN REGION OF CANADA

canoe or *kyak*, his lamp, cooking utensils and other objects destined for the chase or for domestic use. Among the stones is erected a tall pole, at the top of which are placed some rags or moss. This "flag" by blowing in the breeze fends off evil spirits. For five days after the man's death his nearest of kin, generally the oldest son, goes daily to the grave and holds a one-sided conversation with the corpse. This is to keep the spirit from getting lonely, for it is not supposed to leave its earthly shell until five days after death. At the end of this time the communications cease. The goods of the dead man may then be removed, as these are needed only for the few minutes consumed by the spirit in making its journey to the next world. The *kyak*, rifles, tools, cooking utensils, &c., may be disposed of by relatives of the deceased to Indians or white men, but on no account to any other Eskimo. In case no whites or Indians happen to be in the vicinity, the things are destroyed. If it is a woman who dies, or a young person of either sex, these rites are not adhered to, as women and children are too inferior to receive such attention.

The principal deity of the Eskimo is *Nuliaok*. Unlike most deities, *Nuliaok* is

conceived to be of human origin. Around this beautiful Eskimo maiden is woven the Eskimo myth of the creation of the water animals, and the origin of the different races of people. The first tale is a very interesting one. The second story is also interesting, but, like many of the Eskimo legends, deals with matters impossible to reproduce in print. Many of the Eskimo religious rites, known as the *Angekook*, are of a highly improper order, judged by European standards, though seemingly accepted with all naturalness by the primitive Eskimo. The missionary influence, of course, has caused a cessation of many of these rites in recent times.

Nuliaok, according to the first story, was a beautiful Eskimo maiden living on the shore of Hudson Bay. *Nourak*, the god of the gulls, fell in love with her. But *Nuliaok's* father, *Anautclick*, was opposed to the match. One day when the father was away the gull, in the form of a beautiful young man, came for *Nuliaok* and carried her away in a boat. When *Anautclick* arrived home, he at once set off in pursuit in his *kyak*. Being a very swift paddler, he quickly caught up with the eloping pair, who were riding in an *oomyak*, or family boat, which was much harder to row, owing



(Photo Francis Dickie)

AN ESKIMO GRAVE IN THE FAR NORTH, WITH THE CANOE, GUN AND OTHER BELONGINGS OF THE DEPARTED. THE POLE IS ERECTED TO DRIVE AWAY EVIL SPIRITS

to its greater size. Just as Anautclick came abreast, the cowardly gull, instead of defending his loved one, changed back to his original shape and flew away. Nuliaok was then forced to climb into her father's boat. He started paddling home with her, leaving the oomyak to drift away.

The god of the gulls, however, controlled the storms, and in revenge immediately caused high winds to blow and the sea to rise. Anautclick's little kyak was not built to carry two people, so to save himself he threw his daughter overboard. But Nuliaok clung desperately to the boat's side, threatening the frail craft with capsizing. In anger and fear, her father drew his knife and slashed off the first joints of her clinging fingers. These dropped into the sea and from them sprang the race of Natchuk, the hair seal. Still the girl clung on. Next the father slashed off the fingers to the second knuckle, and from them came Oog Joug, the ground seal. When she still clung on, her father cut off the rest of the fingers to the last knuckle, from whence sprang Ivik, the whale. Then Nuliaok sank to the bottom of the sea, where she became the

goddess of the sea animals. To her all the souls of animals go after death.

Though the Eskimo population is much smaller today than fifty years ago, it cannot be said that the Eskimo is a passing race, but rather one in which the number remains almost stationary. Much intermarriage has occurred with whalers in the last half century, so that today you will find Eskimo children with kinky hair and a chocolate complexion, explained by the fact that the father was a negro deckhand on one of the visiting ships. There are also children who are half Norwegian, half American or half Scotch; in fact, these Eskimo children are halved with almost every nationality in the world, for the crews of whalers are a mixed lot. Perhaps the interfusion with blood from other parts of the world will help to perpetuate this simple, kindly race of people. Though the main Eskimo branches have now been known to white men for several centuries, there are still some small detached tribes in the extreme north that have had almost no contact with white people, and who yet remain to be investigated by ethnologists.

TREATING INCOMING ALIENS AS HUMAN BEINGS

BY FREDERICK A. WALLIS

United States Commissioner of Immigration for the State of New York

The stirring and deeply human story of Ellis Island and of the improved methods now used there—What is being done to bar out unfit immigrants and to make the others happier—Pathetic scenes at the gateway of the nation

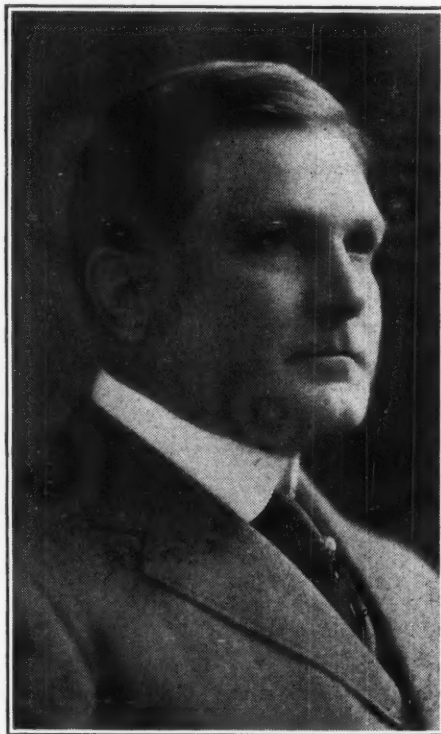
NOTHING more affects the political, social, economic and industrial conditions of this nation than the foreign-born, and no problem is greater than that of the immigrant. He is the most vital, the most profoundly serious subject that confronts Congress today. Our problem is the immigrant, not immigration. The widespread antagonism to immigration unquestionably lies in the lack of a true understanding of its importance to our present economic system. The problem of the immigrant himself, both socially and economically, can best be met by scientific selection, intelligent distribution, and broad assimilation.

Europe has ninety-one persons to the square mile more than the world's average, while North America, peculiarly blessed with earthly resources of great wealth, has thirteen persons to the square mile less than the earth's average. It requires no science of logarithms and differential calculus to estimate that, even should immigrants come to this country at the rate of a million per annum, it would require centuries to bring about an equality with Europe in the matter of population to the square mile.

It is quite obvious that in view of the great number who would like to come, there is no reason why this nation should not have the privilege of picking its 1,000,000. In other words, we can skim the cream off European immigration, taking the finest and the best, and still have more immigration than the ships can possibly handle, should we desire the maximum. Alarmist statements, either by the open door advocates or the total exclusionists, will, in my opinion get us nowhere along the path of a correct solution of the important problem of immigration. The immigrant is here, has always been here, will always be here. The nation itself is largely the work of his

hand and brain. He founded the country, cleared the forests, developed its resources, fought for it, died for it, and the last war proved that the new immigrants were not greatly different from the old.

Face to face with the immigrant on Ellis Island, day in and day out, a business man learns to look upon immigration as a very simple business proposition after all. As one looks upon the upturned faces of the great throng of aliens in the inspection hall and finds all eyes fixed upon the desk of the inspector as



FREDERICK A. WALLIS
Commissioner of Immigration

though it were some holy shrine of deliverance, one's mind turns back countless pages of history to the chapter of Genesis, which tells how Cain crossed over into the land of Nod; or to the book of Exodus, when the Israelites fled Egypt; or to that chapter in our own national history about the Pilgrim fathers. It is the same old story; the immigrant of today is coming here to better his condition. To let him do so without lowering our standards of living is the whole question, and it is the purpose of this article to discuss the methods with which the nation has equipped its immigration service to meet the task.

At the nation's main gateway on Ellis Island, the Government, at a cost of many millions, has established its immigration station. There are two main buildings, one for inspection and detention of immigrants, the other a hospital for treating or holding under observation the mentally or physically defective. The hospital is under the direction of the Public Health Service, a bureau of the Treasury Department. The immigration building is a part of the immigration service, which is a bureau of the Department of Labor.

When immigrants arrived in New York Bay, those of the steerage class are taken to Ellis Island. The cabin passengers are inspected aboard ship, and if passed on preliminary inspection are permitted to land directly from the ship without having to go to Ellis Island. But, if there is a doubt about the admissibility of a cabin passenger he, too, must be taken across the bay to the immigration station for closer inspection.

When the immigrant lands upon Ellis Island he, or she, is taken first to the medical inspection rooms. Lined up in single file, the aliens appear one by one before the doctors, who stand ready to look them over. These doctors wear the khaki-colored uniforms of the army and are thoroughly informed upon all matters of medical science, particularly upon the maladies which disqualify, under our laws, an alien seeking admission to the United States. By turning back the eyelids of the immigrant the doctors make inspection with a view to detecting trachoma, a most common stumbling block of the alien at our gates in point of physical fitness. The scalps of the aliens are closely inspected with a view to

detecting favus and ringworm. Never have we had so many scalp cases. Because of the contagious nature of these diseases many aliens are denied entrance to our country. Cripples are carefully studied to ascertain whether they may or may not become public charges, and mental defectives are promptly certified and barred. But a real, thorough examination of the alien will never be made until our Government orders every alien stripped and examined physically from head to foot. Only suspicious cases, showing some outward sign of inward disability, are stripped, and many of the great social loathsome diseases go by undiscovered.

METHOD OF INSPECTION

Having passed the medical inspection, the line of aliens proceeds upstairs to the great hall of inspection. Some twenty or thirty tall desks stand in a row at one end of this large room; behind each desk are an inspector, an interpreter and a guard or matron. This little group composes a court of preliminary inspection. To them is entrusted the task of measuring the law to the immigrant. This duty is not as easy as it may seem. The immigrant must be registered; his passport must be carefully scrutinized to see if it has been properly issued by his own Government and whether it has been viséd by the American agent nearest his home and again by the American Consulate at the port of embarkation. It must be borne in mind that we are still enforcing the wartime regulation about passports and will probably continue to do so for a long while to come, because it is by this means only that we can practice any handpicking on the other side, where it is so essential.

We are presented with hundreds of passports whose visés are "faked"; our Government revenue stamps upon them are also often counterfeit. Counterfeiters and producers of fake visés are working overtime in Poland, Greece and Italy, and many immigrants are heartbroken at this station to find that they are scheduled for immediate deportation because of imperfect passports or visés. The long trip has been made and all their money has been spent with the sole result that they are rejected at the gateway.

Then the literacy test must be applied. The immigrant must show that he can read

forty words of some language. It is not required that he read English, but any language he may select, or any dialect. Psalm texts, or some of the books of the Old Testament, are usually handed to the immigrant, printed in whatever language he may select, and if he fails to read the requisite amount he is held for further examination by what we call a Board of Special Inquiry. The literacy test does not apply to children under 16 years of age, for it is assumed that they will be sent to school under the system of whatever State may be the future home of their parents.

The immigrant must answer the preliminary inspector's question as to whether he is under contract to do any kind of work in this country. This we call the contract labor law, and so rigidly is it enforced that if an alien should say that a friend or relative had written him, saying he could get employment at any specified place for any specified pay, the alien is held as a contract laborer under the law, and is detained for the Boards of Special Inquiry to deal further with his case.

Under the classification "liable to become a public charge," a great majority of the women and children now coming to the United States have their greatest difficulty in passing. Herein lies one of the many inconsistencies of our immigration laws. If a person shows that he or she has positive assurance of a means of making a living, the contract labor law is a pitfall. If that person shows that he or she has no such means of earning a living, then comes the danger of being classed as liable to become a public charge. Both requirements are necessary, even though they seem to be absurdly inconsistent.

It is quite the fashion to find fault with our immigration laws, but my observation has been that this criticism is due mainly to popular ignorance of the letter of the law. With a few exceptions, such, for instance, as the literacy test, which was passed by Congress under wartime stress over the veto of President Wilson, and which had been vetoed by two other Presidents, Cleveland and Taft, the close student of our immigration laws will find little to criticize and much to approve. Outside the literacy test, which is alleged by many to be nothing short of a farce, the national immigration law could hardly be improved, if

vigorously enforced in letter and in spirit. Under the law at present we are empowered to exclude the following classes of aliens:

All idiots, imbeciles, feeble-minded persons, epileptics, insane persons; persons who have had one or more attacks of insanity at any time previously; paupers, professional beggars, vagrants; persons afflicted with tuberculosis in any form, or with a loathsome or dangerous contagious disease; persons who have ever been convicted of any crime or misdemeanor involving moral turpitude; polygamists, or persons who practice or believe in polygamy; anarchists or persons who believe in or advocate the overthrow by force or violence of the Government of the United States, or of any Government, or persons who affiliate with organizations founded upon such beliefs; prostitutes, or persons coming into the United States to practice immorality; persons likely to become a public charge; persons whose passage is paid for by any corporation, association, society, municipality, or foreign Government, either directly or indirectly; stowaways, except that any such stowaway, if otherwise admissible, may be admitted in the discretion of the Secretary of Labor; all children under 16 years of age unaccompanied by, or not coming to one or both of their parents, except in the discretion of the Secretary of Labor.

In addition to the foregoing classes that are excluded, we have what we term the barred zone by which Asiatics in a certain territory are excluded. In the case of the Japanese, we have "the gentlemen's agreement," by which Japan agrees to give no passports to the laboring class of emigrants from that country to the United States; this agreement serves as an eliminator, with the exception of teachers, merchants or professional men.

EXCLUDING THE UNFIT

Of exemptions there are many, and the discretionary powers given to the Secretary of Labor have a wide range. All immigrants excluded by our Boards of Special Inquiry, unless mandatorily excluded, have the right under the law to appeal to the Secretary of Labor. They may employ a lawyer, if they desire, but the lawyer is allowed to charge a fee of only \$10, and few of them find it profitable to practice in the immigration field. Inspectors and employes on the island give their services gladly in this ministry of filing appeals in Washington, and the records show that 95 per cent. of the appeals are granted, leaving only such



(© Underwood & Underwood)

YOUNG IMMIGRANTS OF A VIGOROUS AND DESIRABLE TYPE RECEIVING A HOLIDAY DINNER ON THEIR ARRIVAL AT ELLIS ISLAND

deportations to be executed as are mandatory under the terms of the law.

That the Boards of Special Inquiry are strictly applying the immigration laws on Ellis Island is witnessed by the large number of detentions, crowding the buildings far beyond their capacity, with all the consequent evils of congestion. That strong pressure is brought to bear upon Washington, oftentimes by political influence, on behalf of the detained and excluded ones, is witnessed by the large number of "excluded" let out temporarily upon bonds and by the few who are ultimately deported. The percentage of deportations in comparison with arrivals during the last year has been running less than one per cent., although the number of "exclusions" by the Ellis Island Boards of Special Inquiry have amounted to thousands.

The public has doubtless noted that several of the bills recently introduced in Congress to regulate immigration provide for a change in the exercise of this discretionary power by appointing a high court, or commission of immigration, whose sessions would be held at the immigration station, and whose privilege it would be to see personally each alien who appealed for exemption under the selective tests or asked for temporary admission. Herein lies one of the problems of immigration. No two immigrants are exactly alike. The personal

equation must be recognized. I believe the most practicable and businesslike method would be to designate the Commissioner of Immigration at Ellis Island as an Acting Secretary in appeal cases, so that he could personally pass on doubtful or excluded cases. He would have the immigrant in person before him; this would afford a better opportunity for more thorough and effective examination; furthermore, the heads of the Boards of Special Inquiry, or any of the Ellis Island officials, could be called in for conference, and the immigrant given every chance to prove his case. This would immediately relieve the congestion at Ellis Island. Above all, it would make for efficiency in service. It hardly seems reasonable that appeals should be forwarded to Washington when some competent official at Ellis Island could be entrusted with this function of the law. Appealing to Washington has often delayed the admission or deportation of the immigrant a month or longer.

THE ILLITERACY TEST

Some idea of the difficulties of applying the law to aliens may be gained by scanning the exemptions to certain of the selective tests. Let us consider the exemptions in the literacy test, for instance:



(© International)

A STUDY IN FACES OF IMMIGRANTS PHOTOGRAPHED AT ELLIS ISLAND WHILE THEY WERE BEING ENTERTAINED BY FOLK DANCES INSTITUTED BY COMMISSIONER WALLIS TO CHEER THE HOURS OF WAITING

The following classes of aliens over 16 years of age are exempted by law from the illiteracy test, or from the operation thereof, viz.:

Persons who are physically incapable of reading.

Persons of any of the following relationships to United States citizens, admissible aliens, or legally admitted alien residents of the United States, when such persons are sent for or brought in by such citizens, admissible aliens, or admitted aliens: Father, if over 55 years of age; grandfather, if over 55 years of age; wife, mother, grandmother, unmarried daughter, or widowed daughter.

Persons seeking admission to the United States to avoid religious persecution in the country of their last permanent residence.

Persons previously residing in the United States who were lawfully admitted, have resided here continuously for five years, and return to the United States within six months from the date of their departure therefrom.

Persons in transit through the United States.

Exhibitors and employes of fairs and exhibitions authorized by Congress.

Agricultural laborers from across the border of Mexico or of Canada.

A most effective way of evading the rigorous tests of our immigration laws is for the foreigner to come as a seaman. The door is thus open for all kinds of undesirable aliens to arrive in this guise. The desertion of seamen has been very heavy. The steamships of one nation reported to me last week that in less than ninety days 2,000 seamen had deserted their ships at this port. A ship's crew, made up of Arabs, Turks and Armenians, lost seventy-three of

its number while here. It is doubtful if any of them would have been admissible under our immigration laws.

Desertion has been so heavy of late that it has been necessary for the immigrant inspectors to examine the seamen between the Quarantine Station and the piers at Manhattan. Before the ship can make fast to the pier these seamen rush from the boat like rats from a burning building. They run off the ship, swing out to the pier by the use of ropes, and resort to almost any hazard to go ashore, where they are lost in the great crowds upon our streets. If we continue to inspect seamen at the same rate as they have been coming to us in the last six months, we will actually inspect 800,000 seamen in this port during 1921. Some forty-three Chinamen were recently picked up and deported as seamen deserters.

Under these exemptions thousands of illiterates have been admitted to the United States, while just 1,810 were deported during the fiscal year ended June 30 last; 1,639 of them excluded at ports of entry throughout the whole country and returned to countries whence they came, and 171 deported under warrant, after having gained entrance to the United States. When this illiteracy test was passed over the President's veto, the main argument advanced in its favor was that it would prove a great factor in restricting immigration. But experience has proved that as an eliminator it has been a failure, and it has in-



(C Underwood & Underwood)

TYPICAL GROUP FROM A SHIPLOAD OF GREEK IMMIGRANTS THAT INCLUDED 300 YOUNG WOMEN WHO HAD COME TO THIS COUNTRY TO MARRY MEN WHOM THEY HAD KNOWN ONLY THROUGH THE MEDIUM OF LETTERS AND PHOTOGRAPHS

flicted unspeakable hardships upon a few by separating parents and children, brothers and sisters, while thousands of illiterates have been admitted under the exemptions, or under bond.

It is difficult to see how the most ardent and sincere champion of the literacy test could ever believe that it would be effective as a factor in keeping out the mean and malevolent immigrant or dangerous radical. The latter class will usually be found among the educated foreigners. We recently deported one group of communists from Ellis Island consisting of twenty-three men and women. Each one of them could read in from three to five different languages, and pretended to know the theories of Karl Marx by heart and backwards. On the day of their departure from Ellis Island, my attention was called to the case of a big, honest, strong-armed, blue-eyed Czechoslovak blacksmith, who had been excluded because he could not read. He could shoe a horse, and was a wheelwright, besides, and he had brought his young wife and two children to this country, hoping to find honest work and learn the English language. His wife could read, but he could not, so he was sent back while

the wife and children were admitted, in the care of a brother of the unhappy husband. Leaving Ellis Island, this man vowed that he would learn to read forty words and return.

On another occasion my attention was called to a young Jewish woman, who had been parted from her brothers and sisters and ordered deported because she had failed to pass the literacy test. She was sobbing aloud in the hallway near my office. I inquired of her why she had never learned to read, as her sisters and brothers had done. I ascertained that she had to stay at home and work to educate the sisters and brothers. I could not help feeling that she was the worthiest one of the family, even though she had to be parted from them and sent back to a homeless, friendless land.

The record of arrivals, debarments and deportations under warrant recorded at Ellis Island for the last ten months of 1920 and the first two months of 1921 shows that immigration steadily increased from about 30,000 in March, 1920, to about 75,000 in October of the same year, and decreased from about 61,000 in November, 1920, to about 35,000 in February, 1921. The immigration in these twelve months

totalled 647,414. The number of debarred and deported in the same period ranged from about 180 to about 290, and totalled 3,200. Aliens deported under warrant proceedings rose from 59 to 142, and totalled 913. Statistics, however, it should be remembered, have two aspects. If 60,000 to 80,000 aliens are admitted every month, about half that number are leaving the country in the same period. If about 100,000 are annually becoming naturalized citizens, their families are automatically becoming naturalized, bringing the real number up to about four times as many.

The statesman who will eventually solve the immigration problem for the American people will be the one who shows the way to speeding up industry and increasing production, making proper and effectual use of the stranger within our gates; distributing labor to the geographical location of our national needs by making those fields of industry remunerative to owner and worker, and meeting the selected foreigner half way with cordial feelings and humane treatment, thus giving to the immigrant the most practicable and sensible examples of Americanization.

Like a mighty river flowing to the ocean is the continual stream of eager and picturesque immigrants passing daily through Ellis Island. No sooner have they landed than they scatter to all points of the compass, most of them going to the cities. According to an authority, the territory where nearly 80 per cent. of them go is well defined. If a line were drawn from the northwestern corner of Minnesota down to the lower corner of Illinois, and then eastward to the Atlantic Ocean, passing through the cities of Washington and Baltimore, it would cut off less than one-fifth of the area of the United States. But contained in the portion marked off there are located more than 80 per cent. of the immigrants coming to this country. The remaining 20 per cent. are divided between the Southern States and those west of the Mississippi River. Only about 3 per cent. percolate through to the Southland.

Perhaps our greatest problem in immigration is the absence of authority or system to send the alien not only where he is most needed and could make most money, but where he would find more favorable

conditions under which to raise his family, thus building a happier, stronger and more contented America. We must interpret to the foreigner the better things of life, and we must interpret them in terms of fairness and good will. The assimilation of the immigrant, his absorption into our life, is a slow process. Americanization can be best achieved through the force of environment, night schools, better living conditions, sufficient wages, hours which guarantee a healthful life; in other words, Americanization is for the most part an economic problem. You cannot any more force Americanism down an alien's throat than your minister can cram religion down your throat. Americanization is a work of patience, not pressure.

CHEERING UP THE NEWCOMERS

It was Summer when I assumed charge at Ellis Island. There was no place for recreation or diversion. I immediately directed that the people be put outdoors, where they could see the skyline of the city, watch the passing of the big ships, breathe the fresh atmosphere and bask in the sunshine of a June sky. I was told that the alien did not like either the sun or the air. The real trouble was that certain employes did not like the extra work involved. Much to the surprise of every one, it was with greatest difficulty we induced the aliens to come in at close of day. When the weather grew cold, a large storage room was converted into a bright recreation hall, capable of seating over two thousand immigrants.

Out of this grew our wonderful concerts. Sunday afternoons we have the finest musical and operatic talent that New York affords. The impression the concerts make upon the alien is indescribable. No more interesting study can be found than to sit before this great audience of foreigners, hailing from every port on earth, representing every nationality, every race and creed, some in laughter, some in tears. It is exceedingly fascinating and absorbing to watch these people respond as if by magic to music, the common language of the world.

Surely there has been more crying and shedding of tears on Ellis Island than in any place on the face of the earth. It is not only the most interesting spot in the world but it is also the most human spot in the

world, and it is interesting because it is human. I found men, women and children crying everywhere. Virtually it was a vale of tears. My first step, after eliminating officiousness and discourtesy, was to proceed to humanize the island and to organize it into more efficient and effective service that it might no longer be a disgrace to the world, but function to the credit and glory of our Government and to the relief of mankind.

It has been said that when you begin mixing sentiment with organization, humane motives with efficient management, you are scheduled for trouble, but that theory has been exploded at Ellis Island. It did not interfere with intelligent directions when we converted a huge storeroom into an examination section, which saved tired men and women and children the exertion of carrying their heavy belongings up and down long flights of stairs.

Humanity is the better since the rooms were cleaned up and made more sanitary and comfortable; mankind is grateful for drinking water in the dining rooms, which, I am told, had not been there for years; aliens have a different impression of America since they have been supplied daily with soap and towel, and they have also a different impression of the steamship companies since we have insisted that breakfast be served when they are called at 5 o'clock in the morning to be inspected; mothers, babies and little children are healthier and freer from hunger because they now have warm milk and crackers served at stated hours, day and night, on the island; life is sweeter because the immigrants now have sugar on the tables. Many of them had not seen sugar for six years. Four men were knocked out and one carried to the hospital with three broken ribs in their scramble for sugar when they first saw it in the dining room.

It does not dehumanize the immigrant, nor pamper him either, if a large auditorium is equipped with a piano, with facilities for reading and for amusement during what to him often seems an interminable detention. Fresh air is always better than foul; and music, lectures, motion pictures three nights in the week, and courteous and humane treatment are regenerating influences that change the spirits of men.

I am daily asked from what country is

all this immigration coming. My reply is from the countries nearest the vessel last sailing, though I am sure the two greatest nationalities are the Jews and Italians; these are followed hard by the Greeks, Czechoslovaks, Spaniards and Northwestern Europeans. Indeed, the immigrants are coming from everywhere. There is much fine immigration in the flow; there is also much driftwood. No one watching the movements of the world can doubt that there is a mighty stir among the peoples of the globe, and that America is the goal of their ambition and the fulfillment of their dreams.

LETTING IN THE RIGHT ONES

The problem in immigration is to see that no one gets into this country who should not get in, and also to see that no one is kept out who should get in. Recently an eminent immigration official of Canada made the statement that 15,000,000 non-English-speaking people would like to come to Canada. The Canadian Government is restricting immigration from Central Europe, Russia and Poland. It is actually spending money to keep people away, and has agents in such centres as Havre and Antwerp. All this affects greatly the United States. Unquestionably, much of our immigration is composed of people whose ultimate aim is to cross the invisible line that separates us on the north.

Steamship companies have been bringing to this port large numbers of aliens, who have to be detained under our immigration laws. It has been found necessary to hold 85 per cent. of all steerage arrivals from some steamships. We had 1,100 aliens on three ships who had less than \$1 each, and 1,700 who had less than \$20; one woman, with five children, with scarcely enough on to be decently clothed, was going to Chicago with no ticket and only \$1.08. I could name hundreds of cases as bad or worse. Our detention rooms and dormitories are crowded day and night, and it is only by constant attention that these rooms and their equipment can be kept clean and sanitary. Every immigrant is now given fresh blankets daily, and every precaution is exercised to prevent disease. The island was built to accommodate but one-half of the number we are receiving.

I have no war to make on the ships.

Many of our best ships come into the port clean, fresh and sanitary. But there are some ships that come in that are so insanitary, dark and filthy that they should not be allowed to stick their nose in the port of a civilized country. Not long ago I took some Congressmen on a ship which had 1,923 steerage passengers. We had been on the boat only a few minutes when every one had to make for a porthole. The stench was unbearable, and the conditions indescribably filthy. Men, women and children were sitting in the dark on the floor in the passageways, eating their supper out of a bucket with spoons. Many were eating from the same bucket. It was so dark on the boat that we stepped upon people sitting on the floor. Congress asked for our findings on this ship, and our report was recently published in the Congressional Record. We detained 983 of these arrivals at Ellis Island.

Another big ship came into port shortly after a snowstorm. The conditions on that boat were intolerable. I have sent several affidavits to Washington to the effect that no one could get drinking water in the steerage without paying for it, and that even after the ship came into this harbor and was detained several days at Quarantine, it was impossible for them to get water with which to wash their hands and faces. The only way they could wash their hands was to gather up the dirty snow in basins from the deck of the ship. There were many other inhumane conditions on the ship, which are a matter of record. Under no shipping regulations are conditions such as these warranted. Since the steerage rate has jumped from \$25, before the war, to \$150 in the last two years, there is not the slightest excuse for insanitary and inhumane conditions. During the rate-cutting war between the ships, immigrants could go from Berlin to Chicago for \$11. Now it costs from \$110 to \$150 to come steerage from European ports to New York.

I have also no war to make upon the railroads. Most of the roads are now giving the aliens good accommodations. But we must bear in mind that the aliens pay the same amount for their tickets as all first-class passengers. There is no longer any third-class or immigrant railroad rate. The immigrants are certainly entitled to the ordinary conveniences of travel. I

found at one station that aliens were regularly detained until 1 o'clock in the morning, awaiting the departure of the immigrant train on its westward journey. Some were huddled together in a large room upstairs over a freight pier; others outside in a pen. In neither place were there seats, drinking water, toilet accommodations, or any other conveniences. The women with children and babies had to stand or sit on the floor until the small hours of the morning. This was corrected immediately, and the train went out at 8 P. M. instead of 1:15 A. M.

CLEANING UP THE ISLAND

I found at Ellis Island an enclosure where immigrants were detained in numbers from 200 to 600. There was so much filth and dirt on the floor that one would actually slip in the slime while walking, and yet little children were playing on the floor. I called for the man in charge of that part of the building, and when I pressed the question, he told me that this floor had not been washed for probably four months.

In another room where hundreds of immigrants were detained, the atmosphere was so foul and stifling as to be sickening. When I asked the guard why he did not keep the door open, so that the immigrants could get fresh air, he replied: "If I leave the door open, the immigrants ask me too many questions."

I found mothers, children and babies crying on one of the large floors. When I investigated the cause of so much crying, I found that the babies and children were hungry. Somebody had been serving the children with sour milk and cold milk. Orders were at once issued for warm sweet milk and crackers to be served at regular hours of the day and night the year through. I found another room where many detained aliens were behind locked doors. Men, women and children were all using the same toilet.

In the dining room for immigrants, where some days over 10,000 meals are served, I observed that there was not a drop of drinking water in sight. Yet there were two hydrants, one on either side of the room. I told the waiters that those people were entitled to water, certainly to common hydrant water; that many of them

were used to light wines on the other side. When I asked why they did not turn on the faucets, their excuse was that the tiled floor around the hydrants would become sloppy. We turned on the water immediately. The immigrants were so thirsty, we could scarcely get them away from the hydrants.

One night, at about 10 o'clock, I started with a guard and a matron on a round through the dormitories. We first came to the women's dormitory, where there were probably six or seven hundred women. Every window in the room was closed tight. These alien women seemed to know nothing about how to retire. All of them went to bed with their clothes and shoes on. From there we went to the men's dormitory. All had retired except two or three who were in one corner of the room washing their hands. When I inquired as to how many towels and how much soap were used daily on the island, the guard said he had been on the island eight years and that he had never seen an alien with a towel during the entire time. The next day we began furnishing every man, woman and child with towels and soap. They looked like an army of new people the next morning. Their faces were bright and they seemed to have an ambition to keep clean. Physical cleanliness always inspires moral cleanliness. A new atmosphere seemed to pervade the detention rooms.

You can make an immigrant an anarchist overnight at Ellis Island, but with the right kind of treatment you also can start him on the way to glorious citizenship. It is first impressions that count most. Two of the New York papers said recently that Ellis Island had been transformed from a house of tears to an island of sunshine. I feel that this is true.

It ought not to be difficult for a nation of our education and intelligence to frame humane laws that will exclude those who are physically and mentally and morally unfit. On the other hand, a welcome worthy of the honor and dignity of this nation should be extended to those whose energies may contribute to this upbuilding of our undeveloped communities, provided always they are in sympathy with American ideals. Above all things, I believe that this great immigration question should be protected from the manoeuvring of politics, because it

is from the standpoint of policy too important and from the standpoint of humanity too sacred to be exploited by partisan or private interests.

Revision of the system of handling these people is needed before this nation can be assured of getting the better class of immigrants. Some method of preferential selection must be immediately put in operation at the ports of embarkation. There is nothing so inhuman and certainly nothing so unbusiness-like as to bring millions of people to America and begin here the process of sifting the chaff from the wheat or separating the dross from the gold. I believe that 90 per cent. of the "culling" process could be done on the other side at the ports of embarkation.

WRONGS DONE TO IMMIGRANTS

Every day is Judgment Day for many people at Ellis Island, and the great final day of assize will not disclose sadder scenes than we see daily enacted at this station. Families are being cut in twain, husband and wife separated, children taken from their parents, or one taken and the other left. It is all wrong.

These people have been saving for years, denying their families many little luxuries in order that they might get together sufficient funds to come steerage. After years of sacrifice and saving, they come to this port only to be sent back to Europe. And sent back to what? Literally to the devil and his angels. Europe is worse off today than during the war. These people go back with no home, no business, broken in pocket, and, a thousand times worse, broken in spirit. No one can ever picture the scenes of anguish of spirit that we see at this port. We frequently find it necessary to carry people bodily from the building and put them on the ship, many of them going into hysterics and threatening to jump overboard.

It is said by many that the other nations would not permit us to come to their shores and pick the desirables from those seeking emigration to this country. If this policy were adopted, either through diplomacy or legislation or both, I believe it would be only a short time before public opinion in those countries would so assert itself that the nations would be asking us to send our doctors and our inspectors to their ports.

Inspection over there is infinitely better than rejection over here. The day must come when there will be a change in this inhumane and unbusinesslike system of bringing the immigrant to our shore.

A most effective way of evading the rigorous tests of our immigration laws is for the foreigner to come as a seaman. The door is thus open for all kinds of undesirable aliens to arrive in this guise. The desertion of seamen has been very heavy. The steamships of one nation reported to me last week that in less than ninety days 2,000 seamen had deserted their ships at this port. A ship's crew, made up of Arabs, Turks and Armenians, lost seventy-five of its number while here. It is doubtful if any of them would have been admissible under our immigration laws.

Desertion has been so heavy of late that it has been necessary for the immigrant inspectors to examine the seamen between the quarantine station and the piers at Manhattan. Before the ship can make fast to the pier, these seamen rush from the boat like rats from a burning building. They run off the ship, swing out to the pier by the use of ropes, and resort to almost any hazard to go ashore, where they are lost in the great crowds upon our streets. If we continue to inspect seamen at the same rate as they have been coming to us in the last six months, we will actually inspect 800,000 seamen in this port during 1921. Some forty-three Chinamen were recently picked up and deported as seamen deserters.

HUNDREDS OF STOWAWAYS

Another menace that threatens the safety of the country is that of the stowaways. A book could be written upon this subject alone. The story is romantic and thrilling. Never in the history of the nation have stowaways been coming in such great numbers. Recently we have had three ships with eighteen stowaways each, two with sixteen, one with nineteen, one with twenty-three, and another with forty-three. The other day one ship came in with fifty-four stowaways.

Two stowaways recently jumped from a big ship at the Narrows. One of them was drowned. The other was picked up at Hoffman Island. After much persuading he gave some interesting information. There was a stowaway organization on the

other side, he said, working from Greece out to the Mediterranean coast and up to Liverpool. This organization sells passage to the stowaways for from \$25 to \$30 apiece. The regular fare is \$130. They stand in with the seamen, who hide the stowaways in the ship and feed them all the way across the sea. This stowaway further said that when his ship left Trieste they put ashore eighteen stowaways. The vessel then proceeded to Palermo. A thorough search was made there and sixteen more stowaways were put ashore. Then the ship moved up to Naples. The marines at Naples assisted the officials in searching the vessel. Fourteen more stowaways were put ashore.

This stowaway told us that twelve more stowaways could be found in the hold of the vessel. The officers of the ship, the Captain included, all refused to go down into the hold to make the search. They said that they would do so only at the risk of their lives. Finally nine policemen and detectives with drawn guns searched the ship and the twelve stowaways were brought out. When these twelve stowaways saw their comrade, who had disclosed their hiding, they said to him. "When we get you back in Naples, we'll cut your heart out." The young man began to cry. We assured him he would not be sent back with the other stowaways.

The stowaways, as a class, are made up of the scum of the country from which they come. They are, with but few exceptions, ex-convicts, criminals and degenerates. We are told that they are frequently assisted in going aboard vessels by the police officials of those countries. However, sometimes we find among the stowaways a worthy case, but to determine the admission of any of the stowaways is an exceedingly difficult undertaking.

One of the most pitiful class of cases is that of the immigrant who comes to this port believing himself fully qualified for admission, only to find, after passing the doctors and inspectors, that his passport has a fraudulent visé. There is a well-organized band of counterfeiters and forgers on the other side, who are systematically exploiting the immigrants by persuading them to pay exorbitant sums for the viséing of their passports. This includes two classes of cases: those who have been refused visés

by the American Consuls and those who come from interior points and have been waiting for weeks in line to appear at the American Consulate. The passport thieves pass along the line, persuade these people to leave it, and take them to some part of the city, where they use a facsimile of the visé stamp and the signature of the Consul. They also use counterfeit \$10 fee stamps. These stamps are good imitations of the American revenue stamp, except that they are a shade off in color. Immigrants arriving with fraudulent visés must be deported, no exceptions being made in these cases. Many women and children are the sad victims of this new phase of robbery and extortion on the other side.

PROBLEMS OF QUARANTINE

One of the worst menaces in immigration is the danger of bringing loathsome and dangerous diseases from the plague spots on the other side. We are told that at the frontiers of the nations in Europe, quarantine officials are confronted by a singular problem. Most of the refugees' clothing is so rotted that it will not stand the strain of disinfection. If new clothing be not at hand, it is not less than criminal to disinfect the old. Therefore many of the immigrants cannot be made safe for society under existing conditions. If Ellis Island needs anything in the world next to a new Ellis Island, it needs a great system of baths so that every man, woman and child passing through our gateway should receive a disinfectant bath before entering the buildings. While they are being cleansed their luggage could be sterilized and made free of disease germs and vermin. This bath was required of every soldier when he returned home. Not a mother's son could enter this country until he had been washed and all his luggage fumigated.

An erroneous impression seems to prevail in some quarters that the immigration authorities at United States ports are responsible for the enforcement of quaran-

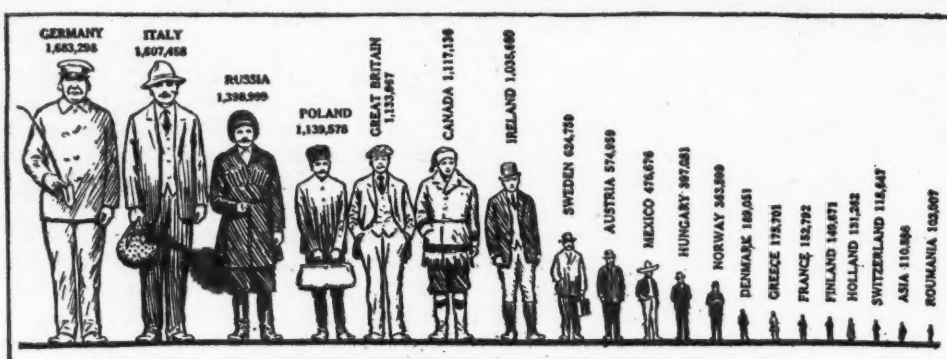
tine laws and regulations. This is not a fact. The immigration officials have nothing to do with the enforcement of quarantine laws. Our sole duty is to enforce the immigration laws after quarantine has granted "pratique" to arriving ships.

When the immigration officials have determined that an alien is eligible for admission, it is their duty to land him promptly, irrespective of his destination. The strict and impartial enforcement of the immigration law will continue to be the diligent and untiring aim of the Ellis Island officials.

As we look out over the world we see humanity stunned, bruised and bleeding, but, thank God, still free. This country has been urged to save Europe. We are willing to do what we can for humanity's sake. We must revive, recreate and reconstruct what the war has laid waste; and, more, we must feed and clothe Europe, and also furnish the money to defray the cost of relief.

Europe's plight is very grave. We had no hand in bringing it about, but we contributed very heavily in relieving it when we sent over our men to help to stop the war. The great pity is that we did not keep on till we reached Berlin, in order to settle the question decisively once for all. Congress has its hands full, but I have every confidence in the intelligence, courage and patriotism of Congress and the new Administration to safeguard America and American interests.

So far as my administration is concerned, the gates at Ellis Island swing both ways. They swing inwardly in cordial reception to the alien in sympathy with American ideals, who is willing to work and become a corporate part of the United States. But these same gates swing outwardly, eternally and impassably, to the man or woman who by word or deed would destroy the peace and tranquillity of the nation or threaten the overthrow of its free institutions.



(Graphic Diagram from the Literary Digest)

THE SIZE OF THE HUMAN FIGURE IN EACH CASE INDICATES THE RELATIVE NUMBER OF ALIENS OF THAT NATIONALITY IN THE UNITED STATES

NEW LAW RESTRICTING IMMIGRATION

A LAW restricting foreign immigration into the United States to 3 per cent. of the foreign-born persons in this country in 1910 was passed by Congress in the closing days of the Wilson Administration, but President Wilson vetoed it by leaving it unsigned when he went out of office. The Sixty-seventh Congress has now enacted the same law, practically unchanged, and at this writing it awaits only the signature of President Harding. The House passed it on April 22, 1921, without a rollcall. The Senate passed it on May 3 by a vote of 78 to 1, the only adverse vote being cast by Senator Reed of Missouri. Numerous amendments proposed in both houses, notably a provision permitting immigration of victims of religious or political persecution, were rejected by decisive majorities.

The new law will become effective within fifteen days after being signed by the President, and will continue in force until June 30, 1922. By limiting the number of immigrants to 3 per cent. of the foreign-born

persons of each nationality in the United States as determined by the census of 1910, the new law will permit only about 350,000 immigrants to land here in the next thirteen months, divided as follows:

NORTHWESTERN EUROPE.	
Belgium	1,482
Denmark	5,440
France	3,523
Germany	75,040
Netherlands	3,624
Norway	12,116
Sweden	19,956
Switzerland	3,745
United Kingdom.....	77,206
Total N. W. Europe.....	202,212
OUTSIDE NORTHWESTERN EUROPE.	
Austria	50,117
Bulgaria	345
Serbia	139
Greece	3,038
Montenegro	161
Italy	40,294
Portugal	1,781
Rumania	1,978
Spain	663
Russia	51,974
Turkey in Europe	967
Turkey in Asia.....	1,792
Total outside N. W. Europe.....	153,249
Total N. W. Europe	202,212
Grand total.....	355,461

There was a frantic rush, especially in Southeastern Europe, to get into the United States before the new restrictions were imposed, and American representatives abroad reported in May that they could handle only a small percentage of the applications for visé of passports.

AMERICA'S FOREIGN-BORN MILLIONS

THE Census Bureau at Washington on April 23 gave out statistics, based on the 1920 census, regarding the persons of foreign birth now living in the United States. Our foreign-born population last year totaled 13,703,987. This was an increase of 358,442, or 2.7 per cent., over 1910. In the decade ended with 1910 the increase had been 30.7 per cent.; the greatly les-

sened increase in the last decade is ascribed to the almost complete absence of immigration during the war, and to the considerable emigration in the same period.

A view of the comparative standing of foreign countries in the number of immigrants sent here shows that Germany still leads with 1,683,298, though this figure means that there are now 818,035 fewer

Germans in the United States than there were in 1910. Italy takes second place in the number of her citizens now in this country; in the preceding census she was fourth. Russia has taken the third rank from Ireland, while Poland falls into fourth place. Canada is fifth, but with a figure considerably less than in the preceding decade. Ireland's total of 1,035,680 represents a decrease of 316,571, a much greater decrease

than that of the decade 1900-1910. Mexico increased its contribution of human exports to the United States by nearly 100 per cent. in the last decade, raising the total from 254,761 to 476,676. Austria, formerly sixth on the list, is now ninth, representing the second largest numerical decrease. The Census Bureau's general table of foreign-born residents, arranged alphabetically by States, is as follows:

FOREIGN-BORN WHITE POPULATION OF THE UNITED STATES

State	Foreign-Born White			Increase 1910-1920		Increase 1900-1910	
	1920	1910	1900	Number	P. Ct.	Number	P. Ct.
United States.....	13,703,987	13,345,545	10,213,817	358,442	2.7	3,131,728	30.7
Alabama	17,662	18,956	14,338	*1,294	*6.8	4,618	32.2
Arizona	78,099	46,824	22,395	31,275	66.8	24,429	109.1
Arkansas	13,975	16,909	14,186	*2,934	*17.4	2,723	19.2
California	681,654	517,250	316,505	164,404	31.8	200,745	63.4
Colorado	116,954	126,851	90,475	*9,897	*7.8	36,376	40.2
Connecticut	376,513	328,759	237,396	47,754	14.5	91,363	38.5
Delaware	19,810	17,420	13,729	2,390	13.7	3,691	26.9
District of Columbia.....	28,548	24,351	19,520	4,197	17.2	4,831	24.7
Florida	43,008	33,842	19,257	9,166	27.1	14,585	75.7
Georgia	16,186	15,072	12,021	1,114	7.4	3,051	25.4
Idaho	38,963	40,427	21,890	*1,464	*3.6	18,537	84.7
Illinois	1,204,403	1,202,560	964,635	1,843	0.2	237,925	24.7
Indiana	150,868	159,322	141,861	*8,454	*5.3	17,461	12.3
Iowa	225,647	273,484	305,782	*47,837	*17.5	*32,298	*10.6
Kansas	110,578	135,190	126,577	*24,612	*18.2	8,613	6.8
Kentucky	30,780	40,053	50,133	*9,273	*23.2	*10,080	*20.1
Louisiana	44,871	51,782	51,853	*6,911	*13.3	*71	*0.1
Maine	107,300	110,133	92,935	*2,833	*2.6	17,198	18.5
Maryland	102,148	104,174	93,144	*2,026	*1.9	11,030	11.8
Massachusetts	1,077,072	1,051,050	840,114	26,022	2.5	210,936	25.1
Michigan	726,214	595,524	540,196	130,690	21.9	55,328	10.2
Minnesota	485,261	543,010	504,935	*57,749	*10.6	38,075	7.5
Mississippi	8,019	9,389	7,625	*1,390	*14.6	1,764	23.1
Missouri	185,893	228,896	215,775	*43,003	*18.8	13,121	6.1
Montana	93,447	91,644	62,373	1,803	2.0	29,271	46.9
Nebraska	149,652	175,865	177,117	*26,213	*14.9	*1,252	*0.7
Nevada	14,802	17,990	8,581	*3,197	*17.8	9,418	109.8
New Hampshire	91,154	96,558	87,961	*5,404	*5.6	8,597	9.8
New Jersey	738,761	658,188	430,050	80,573	12.2	228,138	53.0
New Mexico	29,077	22,654	13,261	6,423	28.4	9,393	70.8
New York	2,783,773	2,729,272	1,889,523	54,501	2.0	839,749	44.4
North Carolina	7,099	5,942	4,394	1,157	19.5	1,548	35.2
North Dakota	131,486	156,158	112,590	*24,672	*15.8	43,568	38.7
Ohio	678,647	597,245	457,900	81,402	13.6	139,345	30.4
Oklahoma	39,951	40,084	20,390	*133	*0.3	19,694	96.6
Oregon	102,149	103,001	53,861	*852	*0.8	49,140	91.2
Pennsylvania	1,387,298	1,438,719	982,543	*51,421	*3.6	456,176	46.4
Rhode Island	173,366	178,025	133,772	*4,659	*2.6	44,253	33.1
South Carolina	6,401	6,054	5,371	347	5.7	683	12.7
South Dakota	82,372	100,628	88,329	*18,256	*18.1	12,299	13.9
Tennessee	15,479	18,459	17,586	*2,980	*16.1	873	5.0
Texas	360,071	239,984	177,581	120,087	50.0	62,403	35.1
Utah	56,429	63,393	52,804	*6,964	*11.0	10,589	20.1
Vermont	44,499	49,861	44,694	*5,362	*10.8	5,167	11.6
Virginia	30,784	26,628	19,068	4,156	15.6	7,560	39.6
Washington	249,818	241,197	102,125	8,621	3.6	139,072	136.2
West Virginia	61,899	57,072	22,379	4,827	8.5	34,693	155.0
Wisconsin	459,904	512,569	515,705	*52,665	*10.2	*3,136	*0.6
Wyoming	25,243	27,118	16,582	*1,875	*7.0	10,536	63.5

*Decrease. †Includes population of Indian Territory for 1900.



(Courtesy of Radium Co. of Colorado)
CRUDE CARNOTITE OR RADIUM ORE AS SHIPPED FROM THE MINES IN SACKS

THE STORY OF RADIUM IN AMERICA

BY THOMAS C. JEFFERIES

Truth about the mysterious metal, worth 180,000 times as much as gold—Though Mme. Curie discovered it in Europe, it is now produced almost solely in the United States—Limitations of its use for the cure of cancer—Romance of radium mining

ALITTLE over half a century ago, or, to be more definite, in the year 1867, there was born in the City of Warsaw, Poland, a woman who was destined to become world-renowned through scientific research, and especially as one of the co-discoverers of the most wonderful mineral in the world. This woman was Mme. Curie, who is now visiting the United States, and the mineral, which for the first time was isolated by her and her French husband, Professor Curie, was radium. Hence the appropriateness of the movement to raise \$120,000 and present her with a gram of radium for experimental purposes.

Dr. Robert Abbe of New York has given us much interesting information regarding this remarkable woman in his book called "Madame Curie." He tells us that her father was a Polish Jew named Ladislaus Sklodowski, who was a professor of physics at the University of Warsaw. Her mother was a Swede. As a young woman she went to Paris to pursue advanced work in science. While there she led an austere life combined with intensive studies, which

greatly increased her store of scientific knowledge and experience. She was welcomed into the Latin Quarter, and eventually became associated with the famous physicist and X-ray investigator, Professor Henri Becquerel. While engaged with this scientist in important experiments, she met Professor Curie, then a professor of chemistry, who later became her husband. With him she became the co-discoverer of the mineral with which their name will always be associated.

Radium has proved itself so valuable in the treatment of human disease that every effort should be made to conserve it after it has been isolated. The life of radium is estimated at 1,760 to 2,000 years. Experienced surgeons say that if radium were useful for nothing else, the relief from pain it gives in certain forms of cancer makes it worth its whole cost. Radium cures some tumors which, before this substance was discovered, were successfully treated only by severe operations. That it does not cure all cancers or all tumors is beside the mark. Its value is sufficiently proved without claiming for it universal application.

The price of radium within the recent past ranged from \$90 to \$120 per milligram for the element contained in a salt. Since the war most of us have learned to regard the necessities of life as representing rather high standards of value when measured in terms of gold dollars; but imagine a substance that in volume and quantity is 180,000 times the value of gold, or, in other words, a substance of which a quantity the size of a five-dollar gold piece is worth \$900,000! Considering, however, the hardship and the privation that both man and beast are obliged to undergo in order to obtain this precious mineral, and the long, complicated and expensive process by which the ore must be treated before its valuable residues can be secured for the use of humanity, the present writer, who spent some years in the radium fields, and who later,

in the laboratory and the clinic, has seen many cases of malignant growth retarded or cured completely, has become convinced that the vast monetary value of this mineral has not been overrated.

Some one has told us that heaven knows how to place a proper price upon its wares. With this in mind, we may regard the almost inaccessible deposits of radium ore, their distance from such necessities as fuel, food and water, and the difficulty and enormous expense of reducing the ore to its precious content, as nature's compensatory method of price fixing.

Radium is found in quantities so exceedingly small that it is never visible even when the material is examined with the aid of a microscope. Radium ore ordinarily carries only a small fraction of a grain of radium to the ton, and radium will never be found in large masses because it is formed by the decay of uranium, a process that is amazingly slow, while in its natural state radium itself decays and changes to other elements so rapidly that it does not accumulate in visible masses.

Radio activity, or, in other words, the characteristic manner in which radium manifests its presence, was accidentally discovered by Professor Becquerel while carrying some radium in a tube in his waistcoat pocket. The burning of his body about the chest led to his discovery of the therapeutic value of the substance. Even after Mme. Curie's discovery of radium it was still regarded as a scientific curiosity until Professor Becquerel's accident. With this evidence that radium would destroy tissue its later employment in fighting malignant disease was but a question of time and experimentation.

Radium crystals give off minute explosions at the rate of about 360,000 per second. These explosions form a gas, and it is this gaseous emanation which is the therapeutic agent. There is no remedial action in the powder itself. The presence of radium is manifested by the repelling of disks and sheets of tinfoil that form a part of a testing apparatus.

Radium minerals are generally found in granite formation. Most of the original radium minerals, such as uraninite, samarskite and brannerite are black, and are seldom found in quantities of much commercial value. Pitchblende is of practically the



MME. MARIE CURIE
*Discoverer of Radium, now visiting the
United States*

same composition as uraninite and of the same general appearance, excepting that it shows no crystal form and occurs in veins. It has been found in but few places, among them Bohemia, Southern Saxony, Cornwall and in Gilpin County, Colorado.

When these original radium minerals break down through the effect of the elements upon them other radium elements are formed from them, such as antunite, tyuyamunite and carnotite. The latter two are the most abundant and furnish the bulk of the world's radium. To the naked eye they appear exactly alike, both being of a bright canary yellow. They are powdery, of very fine crystals, although in rare instances they are of a claylike nature. Carnotite is technically known as potassium uranium vanadate. Tyuyamunite, which is similar in composition, contains lime instead of potash. Large deposits of this last substance have been found in Russian Turkestan. The greatest known deposits of the two minerals, however, are found in Southwestern Colorado and Southeastern Utah, where both are associated with fossil wood and other vegetation in friable, porous, finely grained sandstone. It is reported that small quantities of carnotite also have been produced at Radium Hill, near Olary, South Australia.

In America radium has been obtained chiefly from carnotite ore, the principal deposit of which is in the southwestern section of Montrose County, Colorado, in a valley called "Paradox," because, unlike most valleys, it runs at right angles to the mountain ranges which enclose it. This ore deposit extends over into Utah, but the Paradox Valley may be regarded as America's radium fields proper. This section is rich with legend and tradition of the American red man, for our radium fields are located on the site of a famous old Indian playground—a reservation once occupied in peace and contentment by the Ute tribe of Indians.

Radium ore seems always to be found in places that possess potential hardships. Most camps, when new, are tented villages. So it was in the camp in Paradox Valley in which I once sojourned. Offices, bunks and mess were under canvas. They have since been more permanently established in frame buildings, as shown in the photograph (Page 453) of headquarters camp in the

radium fields. The "front yard" of radium headquarters is an expanse of alkali desert land, cactus and sagebrush; the back yard is a mountainside of jagged rocks and scrubby piñon trees. One of the few remaining open cattle ranges in this country is in this region, and during much of the year large numbers of range cattle graze and roam at will. Cattle raising, however, has become merely an incidental occupation; most thoughts and dreams there run to the precious radium. That is the chief subject of conversation for prospector, miner and operator. When some one tells of a new radium claim located, or a new body of good ore uncovered, eyes widen and listening ears eagerly catch each word.

As a rule, radium miners come from gold and silver mining districts. Many come into Paradox from Telluride, the nearest large quartz mining camp, about seventy-five miles to the southeast. At that place are situated such large mines as the Tom Boy, Smuggler Union, and, a short distance further, the famous Bird Mine at Ouray. Hard rock miners as a rule are ignorant concerning both the nature and the location of carnotite ore. The miner in quartz must learn the mining game over again when he goes to the radium fields. Deep shafts and long drifts are seldom required, radium mining frequently being conducted by quarrying operations. Most miners of carnotite develop a hacking cough, caused by the fine dust raised by the handling of this ore.

There must be a well-equipped camp, located conveniently near wood and water, both of which are scarce in the radium fields. Within the camp there must be plenty of good, substantial food and clothing. The operator must also have many thousands of heavy canvas sacks available, and needles and twine with which to sew the sacks when they are filled. Production requires picks, shovels and drill steel and a forge, for mining tools must be kept sharpened. There must be powder, caps and fuse and a burro train for packing the ore from the mountainside to the foot of the hill. Not only is the original cost of production of radium-bearing ore high, but long hauls and handling and rehandling en route increase it. The use of tractors in freighting the ore in recent years is proving successful.

Mankind owes a debt of gratitude to the courageous and unselfish pioneers who supplied the means with which this work was carried on during the days when no commercial return came back to them. Long before a ray of light broke through or a dollar returned for the bread they cast upon the water, these men had demonstrated their faith to the extent of \$500,000, and were content to keep going in the thought that the final result of their efforts would be of great benefit to humanity. Unfortunately, Joseph and James Flannery, the pioneers in this work, have both died within the last two years, and can in no event share in humanity's verdict.

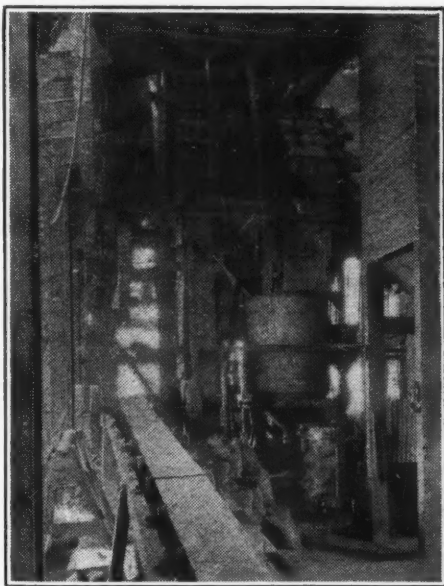
Many times I have heard Joseph M. Flannery relate the circumstances that influenced him to enter the course that made him the world's largest radium producer. Several years ago, when the spectre of death crossed the threshold of the Flannery home at Pittsburgh, and cancer bore away one of its members, Joseph Flannery, with all the solemn determination of a head thus bowed and a heart thus weighted, imposed upon himself an obligation to find a cure for the disease whose ravages he had witnessed, a scourge that has disregarded time, geography, race and circumstance. He dis-

patched experts to Europe, who reported back to him that radium would do the work, and forthwith he set out to obtain the precious substance in quantity. He established at Pittsburgh the largest and most complete radium laboratory in the world, and his mines in Colorado attained an output of over 100 tons of ore a month, from which one gram of radium was obtained. Flannery, shortly before his death, stated that the production of the world's annual ounce of radium involved the use of not less than 1,400 carloads of raw material, of which 1,500 tons is carnotite ore, the basic ore that is found in Colorado.

RADIUM'S WAR ON CANCER

Radium is not yet "ex-mystery." Although it has been used in the treatment of cancerous growths for several years, its curative properties are not wholly understood. It is generally admitted that, in the main, radium is still in the infancy period of investigation. Questions in the form of experiments are still being addressed to nature on the subject. Its value, however, has been sufficiently demonstrated to induce many European cities to equip municipal hospitals with a working supply of the costly mineral. One great obstacle to investigation and experiment, both in Europe and the United States, has been the almost prohibitive cost of the substance. Mme. Curie herself has had to forego further study owing to the fact that she possessed no radium, and had not the means to purchase it. And yet, before the war, the world's supply of radium came from Europe. Since 1914 that leadership has been transferred to America. When hostilities ceased, the United States was producing almost the entire world output, which amounts to but an ounce, or approximately a teaspoonful, annually, and it sells readily at \$3,500,000. It is estimated that the total amount of radium in the United States at the present time does not exceed twenty-five grams, and that not over 100 grams can be located in the whole world.

Despite the cost and scarcity of the substance, however, the use of radium goes on apace. A gram of it, worth about \$120,000, has been purchased for clinical and experimental purposes by the Post-Graduate Medical School and Hospital of New York. This is the largest amount of radium ever as-



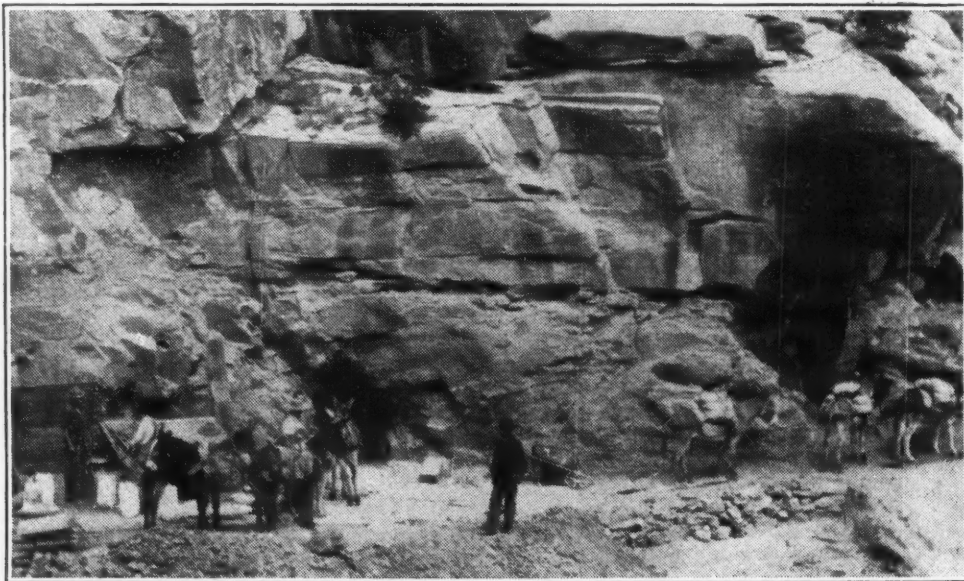
EXTRACTING RADIUM FROM ORE
View of the grinding and sampling room in
reduction works
(Courtesy Radium Co. of Colorado)

sembled for instruction purposes. The State of New York, furthermore, has purchased for the State Institution for the Study of Malignant Diseases at Buffalo two and one-fourth grams of radium, for which the sum of \$225,000 was paid. Though the whole purchase could readily be contained in an ordinary fountain-pen barrel, it is enough to be a great permanent asset to the State and to do untold good to suffering humanity.

Though the action of New York State marks a forward step in the treatment of cancer, victims of that disease have been treated free in New York since 1889, at the Memorial Hospital for the Treatment of Cancer and Allied Diseases. Since 1914 that hospital has treated these diseases exclusively. Its medical staff, in affiliation with the Cornell Medical School, has been studying the application of radium to the treatment and cure of cancer since 1912. Through the generosity of the late Dr. James Douglas, eminent mining engineer and metallurgist, the Memorial Hospital in 1917 received over three grams of radium, valued at about \$300,000, and later the hospital received by deposit from the United States Government, through the Bureau of Mines, over one-half a gram of radium to be used for the treatment of soldiers and sailors of the United States. This is said to be the largest deposit of the substance

held by any public medical institution in the world. It is used exclusively for the treatment of cancer, and the condition under which the radium was obtained was that the poor should be treated liberally, and, when possible, gratuitously. In addition to the radium on deposit with the hospital, that institution recently erected a laboratory, at a cost of \$75,000, which is fully equipped for the study of cancer in its relation to treatment by radium and radium emanation, and also maintains a staff of eminent physicians and physicists.

Radium gives off three different kinds of rays: alpha rays, which reach about one-half inch from their source; beta rays, which are projected three times as far, and gamma rays, which continue for a much greater distance from their source. A film of tin foil will serve as an effective filter to bar the alpha rays and permit the continuance of the other rays, or even a sheet of paper will do this. A barrier of lead a millimeter thick is sufficient to arrest the beta rays, but the gamma rays penetrate through seven and one-half inches of iron, and lose thereby only about 1 per cent. of their intensity. The gamma rays are the ones the surgeon employs, on account of their effect in retarding abnormal growths. In fact, they sometimes induce actual retrogression. The rays must always be confined to the diseased part when they are



ENTRANCE TO THE THUNDERBOLT MINE, IN COLORADO, WHERE MUCH VALUABLE CARNOTITE ORE WAS TAKEN OUT



FIELD HEADQUARTERS OF STANDARD CHEMICAL COMPANY, LARGEST RADIUM PRODUCING CONCERN IN THE WORLD, FOUNDED BY THE LATE JOSEPH M. FLANNERY OF PITTSBURGH

applied; otherwise, new growth is likewise retarded, and inflammation or ulceration in healthy tissues may be superinduced.

Actual practice has shown that in superficial conditions, where radium is easily applied, it has been 95 per cent. successful. This applies to cancerous diseases of the skin, lips, eyelids, &c. As for malignant growths, the head of the Department of Pathology of one of our large universities, who has long occupied a prominent position in the world of medical and scientific research, has stated that in many cases radium has replaced the knife in the treatment of such cases, and that in many others it has supplanted the knife with effective results. A leading radium therapist has declared that the best effect of radium does not consist in merely killing cancer cells, but in the symptoms of change and stimulation that mark the healing process. Some of the disadvantages are overtreatment, the ill-advised attempt to control too large an area of tissue, and the attempt to use radium on hopeless cases. A little radium improperly used can do much harm. It is highly important that its limitations should be recognized, so that its failures outside of its proper field should not prejudice its legitimate claims.

The somewhat complex physical laws governing the action of radium, the variations

in quantity, duration and distance in the dosages of different operators, the wide range of filters employed, the varying effect of alpha, beta, gamma and secondary rays, the conflict of opinion and advice between enthusiasts and uninformed critics, have all contributed a share to the confused history of radium therapy to date. What radium therapy most needs is the active co-operation of the workers and clinics, the standardization of methods and the concentration of the work, so far as possible, in large clinics thoroughly equipped with radium, technicians and trained medical specialists.

We have heard of many disastrous burns received by workers from radium and X-rays. In the leading radium clinics, however, the workers are protected from the dangerous effects of the rays, and, as a further precaution, they work with these rays only on alternate days.

It is a regrettable fact that tumors often follow X-ray treatment. Radium, however, is considered a more efficient agent, although some cases have been satisfactorily treated with radium in combination with the X-ray. In such cases, of course, great care and attention must be given to the matter of sequence and the intensity of the different applications.

There has been some difference of opinion

between surgeons and advocates of X-ray or radium treatment, but, since each of these agencies contributes its share to the general advancement of scientific treatment of disease, there is little reason to expect anything but co-operation in the future. The necessity for this is emphasized by certain cases that are encountered and that demand a combination of different treatments. Sometimes, in treating cancer of the breast, for instance, the diseased part is exposed to radium rays, after which X-ray treatment is applied. In the treatment of cancer of the stomach, tubes containing radium have been swallowed. Certain cancerous conditions must be exposed with the knife before the diseased area can be treated with radium rays.

As stated recently by a prominent scien-

tist, "the practical limitations to the use of radium in cancer are numerous and formidable, and in any but experienced hands it is a dangerous agent. Until these difficulties are more widely recognized or overcome, a general recommendation of the use of radium, especially in place of competent surgery, is inadvisable. Although the available supplies of the metal are limited, and the indispensable skill in application so restricted, it would be specially unwise to spread among the general public the impression that radium is ready to supplant surgical treatment of operable cancer. On the other hand, these precautions should not be permitted to stand in the way of the normal and legitimate extension of the radium treatment of cancer."

STOPPING ROBBERIES OF MAIL CARS

AT a conference of freight claim agents and operating officials of railways in the Southeastern United States, held in Atlanta, Ga., on April 23, 1921, it was authoritatively stated that the railroad loss in 1920 from robbery and damage of freight amounted to \$104,000,000. The loss of the railroads from robberies alone averaged nearly \$2,000,000 a month during the same period.

Mr. Will Hays, the new Postmaster General, declared in Washington on April 25 that mail robbers had stolen a value of nearly \$6,000,000 in 1920. About \$3,000,000 of this had been recovered. Steps were to be taken at once, said the Postmaster General, to remedy this "absolutely intolerable" condition. In addition to the distribution of arms to postal employees, he stated, the standing offer of \$5,000 to any employee of the department who brought in a mail robber had been widened to include anybody at all who performed that public service. At a luncheon of the American Newspaper Publishers Association, held in New York on April 29, the Postmaster General, in referring to the robberies, said:

We are arming postal employees. The War Department has given us 16,000 automatic

revolvers, 1,000,000 rounds of ammunition and several hundred riot guns. We simply have to go back to the old Wells Fargo days, and shoot to kill, and we are going to do it.

Postmaster William B. Carlile of Chicago, at the suggestion of Mr. Hays, has arranged for Federal troops to patrol posts at the Federal Building, the Federal Reserve Bank, the Custom House, at railroad stations and at fifty-two Post Offices and substations. More than one thousand soldiers are to be used in Chicago, which has lost a total of over \$1,000,000. The Chicago Postmaster charged that one highly organized band was responsible for this entire loss. As a further step the Government is constructing armored mail cars of steel, built in separate compartments in the style of safes that are both burglar and fireproof. The first car of this kind, built by the New York Central Railroad, made its initial trip with mail from New York to Chicago on May 7. It had already had several weeks' successful test as an express carrier. The car is built with nine separate and removable containers, which, besides being robber-proof, are so rapidly handled that the whole car can be unloaded in twenty minutes.

A STATE'S SOVEREIGN POWERS

BY FRANK PARKER STOCKBRIDGE

A glance into the forgotten history of the formation of our States—How several States came into being—A State is "on an equal station with the other Nations of the Earth"

WHAT with New York and New Jersey negotiating and ratifying a treaty with each other as solemnly as though they were at Versailles, and citizens gravely discussing the proposal to divide the State of New York without so much as saying "by your leave" to Washington, the man in the street who has had the idea that somehow the whole question of State sovereignty was settled in the negative by the Civil War finds himself in doubt as to how seriously he needs to take either the projects themselves or the language used to describe them.

Doubtless the term "treaty," as applied to the agreement just concluded between New York and New Jersey (or New Yersey, as it is spelled on the old maps) for the unified control and development of the whole port area around New York Bay, seems to many to carry no implication of an agreement between sovereignties or independent Governments. And in the light of the only method familiar to the present generation of adding new stars to the flag—creating States out of Federal territories—the average citizen suspects that discussion of the proposed State of Manhattan is mere conversation unless the Government at Washington decides upon it.

What has really happened in the matter of the New York-New Jersey treaty, and will happen if the proposed division of New York is carried out, is merely a repetition of history. We have to go back to the beginning of the Republic to find the same things being done on any important scale, but the underlying principle—that in every matter in which it has not surrendered its rights to the Federal Government, each State is an independent nation, with all the rights, powers and privileges of an independent nation, including the right to fix its boundaries by agreement with its neighbors and to divide itself into two or more States at will—is not only unchanged since the Revolution, but is upheld in

numberless court decisions, both before and since the Civil War.

We have become so used to writing "The United States is" instead of "The United States are" that we have lost sight, largely, of the distinction between the terms "Federal" and "National," a distinction that is much more than merely technical. In an earlier day that distinction was never lost sight of, and the records of the disputes and treaties between the States, incident to the "shaking-down" of the loose relationship under the Articles of Confederation into the more compact alliance under the Federal Constitution, throw interesting sidelights on the current history of interstate relationships and intrastate divisions.

Some of these half-forgotten curiosities of American history occasionally are recalled because of their bearing upon matters of present moment. Such, for example, was the treaty between New York and Massachusetts that left the title to a considerable part of the bed of Lake Ontario vested in Massachusetts, although New York is the only State bordering upon the lake. Not long ago the City of Rochester wanted to extend certain piers at the mouth of the Genesee River, and it was necessary to obtain the consent of the State of Massachusetts, since New York's dominion ran only to the water's edge.

This curious state of affairs arose out of the claim of Colonial Massachusetts to ownership of all the land west of a line drawn southward from what is now Oswego to the northern boundary of Pennsylvania, and extending between these north-and-south limits to the South Sea, as the Pacific was then known. The treaty between France and Great Britain at the end of the Seven Years' War limited the western boundary of this and other similar Colonial claims to the Mississippi River, but it was not until 1786, when the young Republic was well under way, that Massachusetts

yielded its claim to this territory and by treaty with New York relinquished all right to lands lying *south* of Lake Ontario. But the title of Massachusetts to this land, derived from royal grants, extended to the boundary between the States and Canada, which lies in the *middle* of Lake Ontario. This fact was overlooked or regarded as negligible in framing the Treaty of 1786, so the technical claim of Massachusetts still holds to all the land under water within the territorial limits of the United States between Oswego and Youngstown.

Out of the same conflict of claims to territory comes the curious little triangular extension of Northwestern Pennsylvania, in which the city of Erie is situated. Pennsylvania was one of the few colonies the boundaries of which were completely defined prior to the Revolution, and as a State it laid no claim to the western lands that most of the others were anxious to possess. West of Pennsylvania, Virginia, Massachusetts, New York and Connecticut had set up claims that overlapped at many points. New York was the first to relinquish its claims to western lands, and in 1780 had established its own western boundary on the meridian of the westerly extremity of Lake Ontario. Connecticut and Massachusetts both withdrew their claims in 1786 and Virginia's claim had never covered the territory lying between the westerly extension of the north boundary of Pennsylvania and Lake Erie.

This left the triangle formed by the new western boundary of New York, Lake Erie and the northern line of Pennsylvania a genuine "No Man's Land," owing sovereignty to none of the States, so the new Government under the Articles of Confederation adopted the orphan and gave it to Pennsylvania, thus giving that Commonwealth the right to share with New York the distinction of stretching from the Atlantic to the Great Lakes.

West Virginia and Kentucky, as the heirs of Virginia in the premises, still have technical ownership of the bed of the Ohio River, from the Pennsylvania line to the Mississippi, in spite of the fact that Ohio, Indiana and Illinois all border the river on the north. Here, again, is a curious situation arising out of the old Colonial claims that were not settled until after the new Republic had become established.

Virginia extended west to the Mississippi, and claimed ownership of everything east of the Mississippi and west of New York and Pennsylvania, as far as Canada. Connecticut had a colorable claim to a strip extending from Pennsylvania to the Mississippi and from latitude 41 degrees to 42 degrees 2 minutes. When Connecticut, in 1786, composed its differences with New York, it relinquished to the Federal Government all but the easterly 120 miles of this strip; this portion retained by Connecticut formed the "Western Reserve," out of which a dozen Ohio counties have been carved and which contains the City of Cleveland among others; from the sale of these lands Connecticut established a school fund that still aids in maintaining her educational system.

But when Virginia, in 1784, ceded its claims to the "Northwest Territory" to the general Government, the deed of cession read "all lands *north* of the Ohio River." And Virginia—or the States since erected out of what was Virginia—still claims the bed of the Ohio. Numerous efforts to arrive at an agreement that would give Ohio a claim to joint ownership in the river have failed. The Virginia-Ohio Boundary Commission of 1848 held many sessions, but could come to no mutually satisfactory conclusion, and the matter is still subject to future treaty agreement between the States interested.

The process of settling boundary lines in the early days was accomplished by the construction of new States. Even before the Revolution the "Green Mountain Boys" had claimed independence for what is now Vermont, but was then claimed by the colonies of New Hampshire and New York. New York's claim rested on the royal grant to the Duke of York of all lands west of the Connecticut River; New Hampshire's on a patent conveying rights to within twenty miles of the Hudson River. New Hampshire relinquished its claim in 1780, but it was not until 1791 that New York finally consented to the separation of the Green Mountain country from its domain and the erection of that country into the State of Vermont, the first new State to be taken into the United States after the Federal Constitution went into effect.

A year later, in 1792, the settlers in that part of Virginia lying west of the Cumber-

land Mountains, and known as Kentucky County, had the satisfaction of being admitted to the Union as a separate State. They had held nine conventions to demand separation from Virginia, and Virginia had agreed to let them go provided the Federal Congress would accept the territory as a new State.

Splitting off new States from old did not stop with Kentucky. The North Carolina settlers west of the mountains began soon after the Revolution to try to break the tie between themselves and the mother State. North Carolina would not deal with them directly, but undertook to cede the territory to the Congress under Articles of Confederation. The Congress refused to accept the cession, but the inhabitants of the country went right ahead and formed the State of Franklin, which existed for nearly four years, 1785-88, before the North Carolina authorities took steps to annul its acts. After the Federal Constitution had been ratified and the permanent Federal Government established, North Carolina again in 1790 ceded the land beyond the mountains to the Government, which accepted it under a pledge to grant Statehood when there should be 60,000 free white inhabitants. The new State of Tennessee thus came into the Union in 1796, and was the first State to be erected out of the public domain, the territory having become the property of the Federal Government and ceased to be a part of North Carolina for a considerable period before its admission as a State.

With two exceptions, all the States since admitted have been created out of the public domain, territorial government under the direct control of Washington having first been set up. But both Maine and West Virginia were split off from original States, the former by mutual consent of the inhabitants of the two parts and the latter as a war measure.

Maine's case more closely parallels the proposed splitting of New York State than that of any of the other States added to the original thirteen. As a province of Massachusetts, Maine's interests developed along different lines from the rest of the States. Isolated geographically, many of its residents felt that they could manage their own affairs better than they could be run from Boston. Through the influence of their representatives in the General

Court they obtained the passage of an act providing for a referendum in Maine on the question of separate Statehood. The first referendum failed of a sufficient majority, owing to the opposition of shipping interests, who feared that the establishment of another customs district would necessitate the clearance of all vessels plying between Boston and Maine ports on every voyage. This objection was overcome by an act of Congress, the passage of which was procured by the influence of members who were anxious to have Maine admitted in order that the votes of its two Senators should counteract those of the two Senators to be chosen from Missouri, which was then clamoring for admission as a slavery State. The second referendum resulted in an overwhelming vote in Maine in favor of Statehood, and the new State was admitted in 1820.

Not since then, except in the case of West Virginia, has a new State been carved out of an old one. If, however, the citizens of Greater New York desired to do so, and could by any means persuade the Legislature at Albany to permit it, it would be no concern of anybody's outside the present State of New York if the plan proposed for the division of the Empire State into two parts were carried through. The admission into the Union of the new State of Manhattan, or whatever it might be called, would be a foregone conclusion.

The problem involved is practical rather than legal. It is doubtful whether the right of a county or group of counties to secede from the jurisdiction of the State without the consent of the Legislature or authority of a referendum of the people of all the State could be seriously maintained. And under the Constitution of the State of New York the City of New York can never, no matter how large a proportion of the State's population inhabits its five boroughs, have a majority in either house of the Legislature. "Up-State" saw to that many years ago. It is extremely doubtful whether the "agrarian" section of the State, controlling the Legislature as it does and always will, would ever give its consent to the separation from it of the city that pays three-quarters of the running expenses of all the State. And that is the only way the proposed new State can be set up. It is not a matter in which the Federal Government can interfere.

In this, as in all other matters, power over which has not been delegated by the States to the Federal Government, New York, like its sister Commonwealths, is a sovereign nation. The precise status of the States was expressed in 1833 by the United States Circuit Court of New Jersey in the famous "Pea Patch" case, in which the Federal Government attempted to dispossess the tenant of an island in the Delaware River which Delaware had ceded to the United States. The tenant set up the claim that the island never was part of Delaware, but appertained to New Jersey. The Commissioners appointed to investigate upheld this contention, and the court ruled that not even the United States Government could compel the occupant to vacate without the consent both of the State of New Jersey and of the tenant.

"For all purposes and objects not affected by the Constitution of the United States," said the court in this case, "these States are foreign to each other. They became free, sovereign and independent States by their own declaration of independence, which placed them severally on an equal station with the other nations of the earth, before the treaty of peace with Great Britain, which was merely a recognition and not a grant of their independence."

This doctrine has never been challenged; the dictum of the court in 1833 is still an accurate statement of the status of each one of the States. It is as States "foreign to each other" and "on an equal station with the other nations of the earth" that New York and New Jersey have just ratified their port treaty.

MACAULAY'S WARNING TO AMERICA

AN interesting letter written in 1857 by the historian Macaulay to Henry S. Randall of Cortland, N. Y., and republished recently from an old file of Harper's Magazine, expresses Macaulay's grave fears of the results of democracy as he saw it developing in the United States. "I have long been convinced," he said, "that institutions purely democratic must, sooner or later, destroy liberty and civilization or both." Repeatedly Lord Macaulay stressed his belief that democracy meant, in the essence, spoliation of the rich by the poor, leading either directly to general ruin or indirectly, through the establishment of a strong military despotism, to the loss of liberty. The salient passages of the letter are quoted below:

You may think that your country enjoys an exemption from these evils. . . . But the time will come when New England will be as thickly peopled as old England. Wages will be as low and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams, where hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test. Distress everywhere makes the laborer mutinous and discontented, and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity that one man should have a million while another cannot get a full meal. . . . Through

such seasons the United States will have to pass in the course of the next century, if not this. How will you pass through them? I heartily wish you a good deliverance. But my reason and my wishes are at war, and I cannot help foreboding the worst. It is quite plain that your Government will never be able to restrain a distressed and discontented majority. For with you the majority is the government, and has the rich, who are always a minority, absolutely at its mercy. . . . On one side is a statesman preaching patience, respect for vested rights, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest folks are in want of necessities. Which of the two candidates is likely to be preferred by a workingman who hears his children cry for more bread? There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliations.

There is nothing to stop you. Your Constitution is all sail and no anchor. As I said before, when a society has entered on this downward progress, either civilization or liberty must perish. Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth, with this difference, that the Huns and vandals who ravaged the Roman Empire came from without, and that your Huns and vandals will have been engendered within your own country by your own institutions.

JAPAN'S POLICY OF EXPANSION

By LYNE O. BATTLE

How the Island Empire has carried out its program of expansion at the expense of its neighbors—Acquisition of Formosa, Korea, Saghalien, Shantung, and the former German islands—Japan's hold on Manchuria and Siberia—Threat to Philippines

THE determined expansion policy of Japan is of interest to Americans for several reasons. The most important of these is that, at present, the British Empire, Japan and America constitute the great sea powers of the world, and it is only a sea power that offers any threat to our national welfare. In making the preceding general statement, I have not lost sight of the nearness of our next-door neighbor, Canada, for the ratio of population between Canada and the United States is so much in favor of the latter that a threat from Canada, unsupported by the rest of the British Empire, would amount to nothing; without Britain's sea power, any support to Canada from overseas would be impossible.

The expansion of Japan, by encroachment on China, grates upon America in two respects. In the first place it violates the American sense of fair play. In a struggle between China and Japan, the former is the under-dog; she is helpless now, in a military way, when dealing with Japan, and will probably remain so far beyond our time. If, therefore, China receives no more than moral support from other nations, Japan will be able to take Chinese territory at such time and in such amounts as are best suited to Japanese policy; there is no more to prevent Japan from doing her will on China than there was in the case of Korea. In the second place there is the natural desire of Americans to share in the profit to be made in the development of Chinese resources and in a fair share of a growing Chinese trade.

BASIS OF FRICTION

To the average American mind the origin of any lack of cordial relations between America and Japan is not in the hornet's nest stirred up by the defeat of the American laborer in his competition with the Japanese on the Pacific Coast. That trouble is local, to a great extent, and attracts but

little attention in the central and eastern sections of our country.

The cause of friction with Japan goes deeper; our growing distrust, or, to be more explicit, our growing fear of future trouble with our transpacific neighbor, lies in our dread that the new Pacific power will become too strong—that Japan may become so powerful that eventually, when interests clash, America may be forced to measure strength with a giant.

For the reason, then, that America is, as she should be, deeply concerned with the future, it is of interest to look into the expansion policy of Japan; to see what has been done in the past in the territorial growth of our present rival for power in the Pacific. This may serve as a guide to show us what to expect in the future, and will enable us to consider the situation with clearer heads.

JAPAN'S POLICY OF AGGRESSION.

The aggressive policy of Japan is not of new growth. As far back as 1582 a Japanese army swept over Korea, but was finally driven out by the Chinese. In 1873 the Ministry, which included Okuma and Ito as members, planned annexation of Formosa, Korea, Manchuria and a part of Siberia. The various stages by which Japan reached her present position of power may be traced as follows:

Although her expansion plans had been under discussion for a number of years, the first actual increase of Japanese territory, beyond the four main islands occupied at the forcible reopening of Japan by Commodore Perry, did not take place until 1875. At this period Russia and Japan both claimed the southern half of Saghalien and the Kurile Islands. By the treaty of 1875 Japan accepted the Kuriles and agreed to the validity of the Russian claims in South Saghalien. This is of interest mainly be-

cause it marked the beginning of Japanese expansion.

The Loochoo Islands were next on the program. Their sovereignty was in doubt; sometimes they paid tribute to China, sometimes to Japan. Fortunately for the Japanese plans, in 1872 some fishermen from one of the Loochoo Islands were stranded on the east coast of Formosa, where they were killed by head-hunters. This gave Japan an opening to further her claims to sovereignty over the islands, and she demanded that China punish the Formosans. China demurred, holding that the head-hunters in the interior and on the east coast were beyond her jurisdiction. Finally, after much diplomatic wrangling, she consented, in 1874, to a Japanese expedition against the Formosans. This so strengthened the position of Japan that she seized the Loochoos in 1876, and almost precipitated the war between Japan and China, for which the former was not yet ready.

America now intervened as peacemaker, suggesting that China and Japan divide the Loochoos equally between them, both agreed to this solution. Later on, China receded from the agreement, hoping, no doubt, eventually to secure the whole. Japan, however, kept the Loochoos, and still has them.

GETTING HOLD OF KOREA

About 1884 trouble again cropped out between China and Japan, this time over Korea. The Hermit Kingdom, which had been more or less a vassal of China, had finally opened its doors to foreign embassies, and one or more of its ports to foreign trade. The Japanese legation, occupied in building up the interests of its country in furtherance of the expansion policy, was attacked by a Korean mob, assisted by Chinese soldiers, and the legation building was burned. War was narrowly averted at this time through negotiations between Ito and Li Hung Chang; in a treaty, drawn up by them, both China and Japan agreed to withdraw all troops from Korea, and to send no more without previous notification. They decided that Korea should indemnify Japan, but left China the upper hand in matters of Korean internal policy.

The next ten years were spent by Japan in preparation for the war her statesmen could so plainly foresee. China, ignorant of her own military weakness and of the

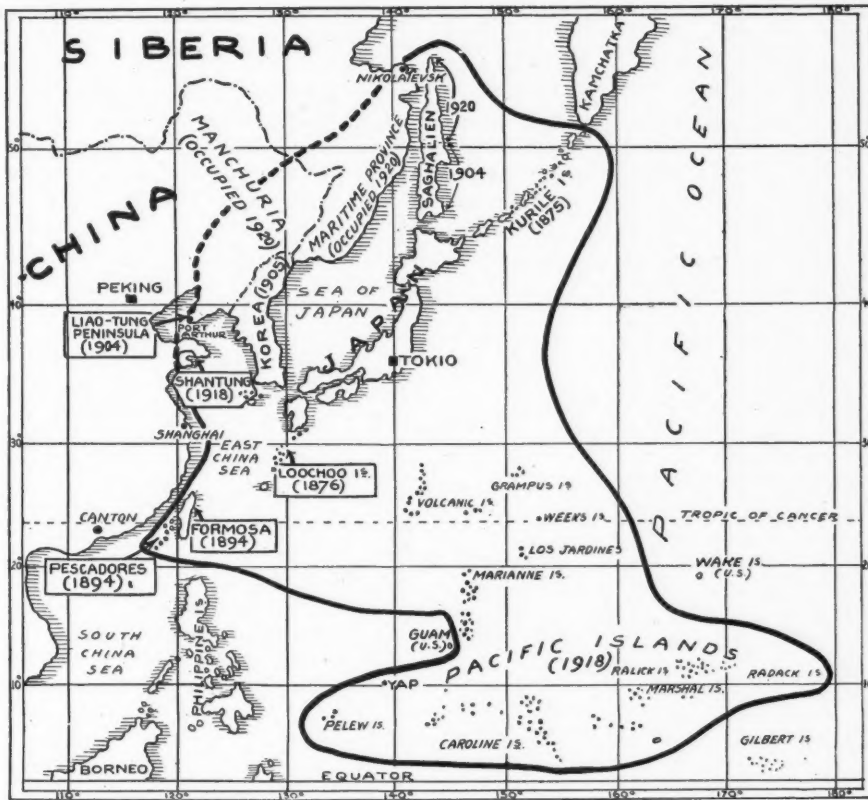
growing strength of Japan, did nothing. In the struggle with China over Korea, the guiding motive in Japan was expansion, pure and simple. Later on, in the struggle with Russia over the same territory, the motive became more nearly one of fear. With Korea in the hands of a nation weak in military forces, like China, there was little to fear. Korea in the hands of Russia, however, was quite a different matter. It was a "dagger pointed at the heart of Japan."

The inevitable war between China and Japan came in 1894, as soon as Japan was ready for it. As we are dealing simply with the remarkable expansion of Japan, resulting from a well-considered policy, the details of the war with China will not be considered. It was a quick war, for which Japan was fully prepared, and the result was never in doubt. By the peace terms, Japan obtained Formosa, the Pescadores Islands (between Formosa and the China coast), and the whole of the Liao-tung Peninsula. As Liao-tung lay west of Korea and formed a wedge between that kingdom and China, Korea now passed under Japanese influence. One of the clauses of the treaty was almost humorous—both China and Japan recognized the independence of Korea! The indemnity to be paid Japan was £12,000,000, and it was agreed that Japan should hold Wei-hai-wei, on the north coast of Shantung, until the indemnity was fully paid.

The excellent strategic position obtained by Japan as a result of the war with China gave her command of the Yellow Sea and of all the approaches to Peking. If the peace terms were allowed to stand, it meant paramount Japanese influence in Far Eastern affairs, and would have shut out Russia, Germany and France from what they considered a fair share of influence in China and from any partition of Chinese trade and territory.

FORCED TO YIELD LIAO-TUNG

These European nations never had any intention of standing idle while Japan gained the ascendancy in China, so the latter country now became a European "grab-bag." This policy began with a combined note to Japan from France, Germany and Russia demanding that Japan recede the Liao-tung Peninsula to China. Japan, always efficient in sizing up a situation,



THE BLACK LINE INDICATES THE EXTENT OF JAPANESE TERRITORIAL CONTROL, INCLUDING PORTIONS OF CHINA AND SIBERIA OCCUPIED BY JAPANESE TROOPS. DATES GIVEN ARE THOSE ON WHICH JAPAN GAINED POSSESSION IN THE COURSE OF HER RAPID EXPANSION

concluded that the combination was too strong for her, and bowed to superior force. For one reason or another, Germany, Russia, France, and even England took slices of Chinese territory in 1897, or around that time. Germany took Tsing-tau and got her hold on Shantung; Russia took Port Arthur, on the Liao-tung Peninsula, the very territory that Japan had won in the recent war; France got Kwang-chau Bay in the south, while Great Britain was satisfied with additional territory at Hongkong and Wei-hai-wei Bay, still in the hands of Japan.

It was only natural that Japan was furious at being thus robbed of her spoils of war, but she could do nothing else than respect such a strong combination of powers. She had gained some territory, however, and had replaced the Chinese influence in Korea.

Russia, seemingly secure in possession of

Port Arthur, now took the place of China as the opponent of Japan in Korea; and for another ten years Japan bided her time and prepared her army and navy for the war with Russia. A bitter diplomatic struggle between Japan and Russia was carried on at the Korean capital with varying success, depending on which party had possession of the Korean King. Up to this time Japanese political ethics had been no better and no worse than those of European nations. They all, England included, acted on the principle that "might makes right," and seized whatever they coveted. The deepest blot on the Japanese escutcheon came from the official murder of the Korean Queen.

In 1902, Japan's hand in Far Eastern affairs was greatly strengthened by the alliance with Great Britain. The main benefit derived by Japan from this treaty was that it broke up the combination of

France, Germany and Russia, which had forced Japan to give up some of the territory gained in the Chinese war. The gist of the treaty was that, should one of the signatory powers become involved in a war with another power, the other signatory was to remain neutral—but when attacked by more than one power, the other signatory was to come to its assistance. Incidentally both high contracting parties guaranteed the independence of China and Korea in this treaty.

Japan was now protected from the European coalition and free to go to war with Russia, which she did in 1904. At the end of the war the Japanese policy of expansion was rewarded with the southern half of the island of Saghalien and with the Liao-tung Peninsula; Russia also recognized the suzerainty of Japan over Korea. The fact that the Liao-tung Peninsula belonged to China, and that both Russia and Japan had guaranteed the independence of Korea, was forgotten by both parties in the Peace Conference.

ANNEXATION OF KOREA

Having beaten Russia and cleared her path of active armed opposition in the Orient, Japan now brought into play, in Korean affairs, the political strategy which resulted later in the incorporation of Korea as an integral part of the Japanese Empire. Japan and the British Empire were now the most influential powers in the Orient, so the first step of Japan, in the plan to take over Korea, was to bring about a change in the treaty of alliance with Great Britain. In the 1902 treaty Japan and Great Britain recognized the independence of China and Korea; in the 1905 treaty they again recognized the independence of China, but of China alone. Great Britain admitted that Japan possessed paramount political, military and economic interests in Korea, and further recognized the *right* of Japan to take such measures of guidance, control and protection to safeguard and *advance* those interests as Japan deemed necessary. Russia had been crowded out; Germany, France and England naturally made no effort to prevent the rape of Korea, for they were equally guilty in China.

The story of Korea from 1905 until 1910 is a pitiful one of gradual absorption of all governmental power by the Japanese Resident General. Most of the papers re-

linquishing Korean rights were signed literally at the point of the sword. The best Korean lands were taken by the Japanese; some were paid for at as low as one-twentieth of their real value, some were not paid for at all. Korean objectors to such harsh treatment were thrown into prison and in many cases were tortured. In 1907 the abdication of the Korean Emperor in favor of his weak-minded son was brought about; in 1919 his Majesty the Emperor of Korea made complete and permanent cession to his Majesty the Emperor of Japan of all rights of sovereignty over the whole of Korea!

AMERICA DECLINES TO INTERVENE

The action of America in the case of Korea is an interesting sidelight and is of great significance with respect to the expansion policy of Japan. It occurred in 1905, when the United States had one of the strongest Presidents we have ever had—Theodore Roosevelt—and when Elihu Root was Secretary of State. Though the American Government, unlike most of the European nations and Japan, had never guaranteed the independence of Korea, it had, nevertheless, signed a treaty to use its influence in favor of the continued independence of Korea. The Emperor sent an emissary to the American President with a pitiful letter, telling of Japanese aggression, and stating that he was forced to sign away Korean rights “at the point of the sword.” The Korean agent was never received by Mr. Root, but he received word from the American Secretary of State that “the letter from the Emperor has been placed in the President’s hands and read by him * * * it seems quite impracticable that any action should be based upon it.”

Roosevelt’s own explanation, some years later, was as follows:

To be sure, by treaty it was solemnly covenanted that Korea should remain independent. But Korea itself was helpless to enforce the treaty, and it was out of the question to suppose that any other nation, with no interest of its own at stake, would do for the Koreans what they were utterly unable to do for themselves.

The end of the World War brings Japanese expansion up to date. The Treaty of Versailles, signed by all the interested nations save China, and finally disapproved by the United States Senate, gave Japan

the German rights in Shantung and made her mandatory over all the former German islands in the Pacific Ocean north of the equator.

JAPAN'S PRESENT POSITION

The Japanese Ministry of 1873 took a long look ahead when it planned annexation of Formosa, Korea, Manchuria and a part of Siberia. In forty-eight years much of the plan has been carried out, for Japan has incorporated into the Empire of the Rising Sun, Formosa, the Loochoos, the Kuriles, all of Saghalien, the Pescadores and Korea. In addition Japan has possession of the Liao-tung Peninsula and Shantung, and has a strong hold on part of Manchuria and Eastern Siberia.

Shantung forms a Japanese wedge for entering China, just as Korea formed a stepping stone to the Asiatic mainland. But Japan has promised to give back Shantung to China. Yes; but Japan, by treaty, solemnly guaranteed the independence of Korea at least four separate times!

During the Peace Conference at Paris a representative of one of the great American newspapers, in conversation with a Japanese official, spoke of the trouble Japan would inevitably stir up by a penetration of China, and asked why Japan did not aim further north at Eastern Siberia. The reply was laconic: "Too cold."

This reply contains a warning for the Filipinos, in their pressure for independence, and also a warning for the United States. Americans, as a people who love freedom, will no doubt grant independence

to the Philippines as soon as they feel that those islands have any chance to succeed in self-government. As soon as the Philippine Islands receive their independence there will be nothing whatever to prevent Nippon from seeking a warmer climate there, instead of going where it is "too cold."

The action of the Supreme Council in awarding to Japan the former German islands north of the equator has placed an impassable barrier to any attempt of America to go to the assistance of the Philippines, once they are granted their independence. The Caroline and Marshall Islands extend 2,400 miles east of the Philippines; they are only 1,800 miles from the Hawaiian Islands. Guam, the second stepping stone of America on her way to the Philippines, is now surrounded by Japanese islands.

When the Philippines and Guam fall to Japan, which is certain to occur in case of war between Japan and America, the line of communication to any American force sent to the assistance of our former colonies must pass close to Japanese ports for a distance of 2,400 miles.

It is true that Japan took the Carolines and Marshalls with the understanding that they should not be fortified; but it is also true that Japan, on four or more separate occasions, guaranteed the independence of Korea.

The object of this paper, however, is not to predict the future, but simply to tell what Japan has accomplished in the way of territorial expansion. Those who read are able to draw their own conclusions.

PROGRESS IN CONTROLLING AUTOMOBILE TRAFFIC

THE curious lighthouse towers that stand at intervals in the middle of Fifth Avenue, New York, flashing red, green and yellow lights to stop and start the endless automobile traffic, have proved to be a boon both to the pedestrian and to the motorist.

Dr. John A. Harriss, Special Deputy Police Commissioner in charge of traffic, originated the tower signal system and built the five present structures at his own expense. New and more beautiful towers, which are about to be substituted for the original ones by the Fifth Avenue Associa-

tion, are to contain a new device designed by Dr. Harriss, by which the police can stop any car in the avenue suspected of carrying criminals. By signals and telephone all traffic can be stopped and the suspected car dislodged for investigation or arrest. Dr. Harriss has also prevailed upon New York City to try a plan which is intended ultimately to control the traffic of the whole city at night, and which makes each policeman a sort of walking signal tower by means of electric lanterns worn on a belt.

SIBERIA AND THE JAPANESE

BY FREDERICK A. OGG

Professor of Political Science in the University of Wisconsin

How Russia extended her dominion over Siberia and pushed toward the South—The situation at the outbreak of the World War, which led to the allied occupation and to Japan's present hold upon Eastern Siberia—Japan at the parting of the ways

THE war remade the map of Central Europe, of Africa, of the Pacific, and of the Near East. The Bolshevik revolution in Russia is today doing the same thing for Northern and Central Asia, and the transformations east of the Urals are on a larger scale than those that have taken place in any of the other regions mentioned. A single new State here is six times the size of France, twenty-seven times the size of Ohio, and slightly larger than that part of the United States lying between Kansas and the Pacific Ocean.

Events in this quarter have raised questions which deeply concern the world at large, and particularly the United States. Is Bolshevik Russia, like Czarist Russia, to be an Asiatic as well as a European power? Are Bolsheviks "buffer States" to plant themselves menacingly along the Mongolian and Manchurian frontiers of China? Is the new Far Eastern Republic to be a really independent State, or only a blind for Japanese control in Siberia? Is the open door for which John Hay labored to exist north of the Amur, or are American and other western manufacturers and traders to be barred from the growing markets of that region? Is the outlet for Japanese emigration, which is denied by the United States, Canada and Australia, and for Japanese imperialistic enterprise, which is narrowed by international opposition in China, about to be opened wide in the Siberian maritime provinces?

Back of these questions looms the query, What is Siberia, and what Russian, Japanese, Chinese, American and other national and international interests centre on its soil?

The term "Siberia" has commonly been used in a loose way to designate the whole of the former Russian dominions in Asia. On both geographical and political grounds, however, this is inaccurate. Siberia proper

does not include Turkestan and the other Transcasian lands formerly under the Russian flag. Its southern boundary runs, rather, from the sources of the river Ural to the Tarbagatai range (following the watershed between the Aral and Irtysh basins), thence along the Chinese frontier to the vicinity of Lake Baikal, and thereafter along the Argun, Amur, and Ussuri rivers to the Korean border in the neighborhood of Vladivostok. Even so, the country is 10 per cent. larger than China, with all her dependencies, and 50 per cent. larger than the Continental United States. The State of New York could be set down in it one hundred times, with room to spare.

Few western people have outgrown the schoolboy notion of Siberia as an interminable sheet of ice and snow, with here and there a colony of shivering, starving exiles; but in the main as a waste, the eternal stillness of which is broken only by the yelping of wolf-packs in pursuit of the luckless traveler or explorer. Of the 30 per cent. of the country which lies within the Arctic Circle, this is a sufficiently true picture. But of the great stretches traversed by the Trans-Siberian Railway, the vast regions included in the upper valleys of the northward-flowing Ob, Yenisei and Lena Rivers, and especially the broad provinces bordering the Sea of Okhotsk northward to Kamchatka, the description is no more true than it would be if applied to Saskatchewan and Manitoba, or even Maine and Montana.

Large sections of the country are very similar climatically to Southern Canada, and are no less adapted to wheat growing, stock raising and other branches of husbandry. The Summers are short, but sufficient for the ripening of crops. Vegetation is luxuriant while it lasts; the eighteen or twenty hours of broad daylight, with hot sunshine, more than counteract any ill-effects of the brief nights, even when they

are chilly and possibly frosty. Although the country as a whole has never been self-supporting, this is because of primitive modes of cultivation and inadequate means of transportation, and not on account of any lack of capacity for production. Southern Siberia is, indeed, one of the world's great undeveloped farms. Particularly is this true of the Amur and Ussuri Provinces, in the southeast, with a combined area of 880,000 square miles, which is more than four times the area of France.

There are other important forms of natural wealth. Vast regions are heavily forested, and it is not impossible that Siberia may some day be our main source of lumber supply. Coniferous trees are most plentiful, but oak, maple, ash and other familiar deciduous trees of North America also abound. Birch is especially common, and the paper-pulp industry was beginning to grow when the war cut off access to markets.

There is also mineral wealth. Gold-dust is found in paying quantities in almost all parts of the country. Under normal conditions, the output is a million ounces a year, and this represents a mere scratching of the surface. Probably the richest gold fields remaining in the world today are in Siberia. Silver and silver-bearing lead ores are abundant, as are also copper, cinnabar, tin and graphite. From the Altai region come all manner of precious and ornamental stones, including jasper, malachite, beryl and dark quartz. There is some coal and much petroleum, although apparently not much iron. Finally may be mentioned, among resources, the country's enormous yield of furs and the unlimited opportunity for the development of fisheries on the eastern coasts.

Until within the memory of men still living, the world at large knew next to nothing about Siberia and had no interest in it. The Russians were permitted to extend their control over it with no competition, and with never a word of protest until, near the middle of the nineteenth century, they began to use the country as a base for expansion southward in the direction of Persia, India and Korea. Even then, no one challenged the Russian position in Siberia proper.

The story of Russian rule in Siberia

stretches through three and a half centuries. It begins with the conquest of the central Irtysh valley by the Cossack chieftain Yermak in 1582, and moves forward as a great epic comparable with the story of the westward expansion of white population and dominion in our own land. The loves and hates, the daring deeds and homely labors of land-seekers, fur-traders, hunters, gold-diggers, adventurers of every sort, make up the warp and woof of one story as of the other, save for the sombre figure of the Russian political exile, which has no counterpart in the making of the new America.

Once started, Russian sovereignty advanced through Asia at an average yearly rate of 20,000 square miles—half the area of Ohio—for 325 years. There were no great wars of conquest. Rather, the method of expansion was to reach out successively into new regions, plant trading posts protected by garrisons, and from these centres to bring under control the restless and predatory native tribes of the vicinity. In this way Tobolsk was founded in 1587, Tomsk in 1604, Yeniseisk in 1619, Yakutsk in 1632, Verkhneudinsk on Lake Baikal in 1648, Albasin in 1663.

The same instinctive desire for a free outlet to open water that led toward the Baltic and the Black Sea turned inevitably toward the ice-free waters of the Pacific Ocean; and this desire was satisfied as early as 1636, when Cossack explorers came within sight of the Sea of Okhotsk. After a fierce struggle with the aborigines, a fort was built on the coast in 1647.

Two hundred years were required to round out and consolidate Russian dominion in Siberia proper. Then new lines of advance were started. The first of these led toward China and its nominal dependency, Korea. Count Nicholas Muraviev, who became Governor of Eastern Siberia in 1847, initiated this phase of Russian policy and carried it far toward realization. In 1850 the Muscovite flag was unfurled at the mouth of the Amur River; in 1858 China was manoeuvred into a position where there was nothing for her to do but cede to the Russians all of her rich territories on the left bank of that stream; and two years later another cession added the maritime province between the Ussuri



GENERAL VIEW OF SIBERIA AND ITS PRINCIPAL CITIES AND RIVERS

River and the sea, and conferred the right to occupy Vladivostok.

The second line of southward advance lay in Central Asia, and was directed toward the Persian Gulf and the frontiers of India. Action began in this field about 1864, and by the close of the reign of Alexander II. (1881), Muscovite domination had been established throughout almost the whole of the vast expanse of territory lying between Siberia on the north and Persia and Afghanistan on the south, and stretching from the eastern coast of the Caspian to the Chinese frontier. The greater part of the territory was formally incorporated in the empire, and the petty potentates, such as the Khan of Khiva and the Amir of Bokhara, who were allowed to retain a semblance of their former sovereignty, became obsequious vassals of the White Czar.

Hardly was Russian power recognized in these newer possessions before the great push toward the south entered upon a new stage, in both west and east. In the west it took the form of penetration of Persia and Afghanistan, and was halted only in 1907, when, by recognizing a Russian sphere in Northwestern Persia, Great Britain secured from the Czar's Government an agreement to keep its hands off both in Southern Persia and in Afghanistan.

In the east the lure was the fertile lands of Manchuria and the warm-water harbors

of Korea, and the pretext for aggression was found in the construction and defense of the Trans-Siberian Railway. The bold idea of linking up European Russia with the Pacific by flinging a road of steel across 5,000 miles of Siberian wilderness originated with Count Muraviev-Amurski, founder of the Russian Empire in the Far East, and a route was marked off by an army engineer in 1866. Funds were at last obtained, mainly from France, and in 1891 work was begun on seven sections simultaneously. By the opening of the present century a rail and steamer route was open for traffic from Moscow to Vladivostok. Its itinerary was as follows: Rail from Moscow to Lake Baikal, steamer across the southern end of the lake, rail again to Stretensk on the Upper Amur, steamer down the river to Khabarovsk, and rail thence southward to Vladivostok.

Meanwhile, however, interest in the lower Amur route yielded to a plan to carry the rail line further south, across Chinese territory, to Vladivostok, and possibly to ports still more favorably situated; and this decision influenced the course of Far Eastern affairs as has nothing else in the past half century, save the great war itself. What it led to immediately was the formation of the Eastern China Railway Company and of the Russo-Chinese Bank, the building of a Russian-controlled railroad from the Trans-Siberian line at Kaidalovo southeast-

ward across the Chinese province of Manchuria to Vladivostok, and (after the Russian lease of the Liao-tung Peninsula in 1898) the construction of a yet more important Russian road southward from Harbin, in Central Manchuria, to Mukden, Port Arthur and Talien-wan, renamed Dalny, on the Gulf of Pechili. What the decision led to eventually, of course, was the clash of Russian and Japanese ambitions in Northern China, the defeat of Russia in the war of 1904-5, and the conversion of Japan from an Oriental into a world power.

In the story of Siberia these great Russian projects toward the south are vital, for in later decades Czarist policy in Asia was determined almost exclusively with reference to them. In the eyes of the political and military strategists at St. Petersburg, Siberia was the great bulwark, the base, from which Russia's successive drives for territory and power in both Far East and Middle East were to be launched. Large opportunities for economic development in the northern country were habitually ignored because of the feverish desire for exploitation and aggrandizement further south.

None the less, Siberia, in the years before the great war, was becoming truly Russian. From the first entrance of Muscovite power down to 1900, the country was a penal colony, and a considerable share of its present Russian-speaking population is composed of freed hard-labor convicts or their descendants. But there has been a large amount of voluntary Russian immigration. At certain stages, this movement was stimulated and directed by the Government itself. For example, when the Amur and Ussuri provinces were acquired, the State gave families free transportation thither, provided temporary accommodations on their arrival, gave each head of a household 200 or 300 acres of land, sold necessary agricultural implements at cost, and made long-term loans without interest. At other times, the authorities tried to curb the movement.

Regardless, however, of the official attitude, serfdom, conscription and religious persecution could always be counted on in earlier days to keep the stream flowing; and in later times, ease of transportation, the abandonment of the exile system, and increased ability of the liberated peasant to move about supplied fresh impetus. For a

decade prior to 1914, settlers were pouring into Siberia's vacant lands at the rate of 300,000 a year; and when one considers that in the year mentioned the entire population of the country, both Russian and native, was less than three times that of Greater New York, it is obvious that the scale, in the matter of numbers as well as in types of civilization, was fast being inclined in the Russians' favor.

The major part of this growing Muscovite population was to be found, however, in Western, rather than Eastern, Siberia, and many Russians considered that the increase in the latter quarter was not sufficiently rapid to insure permanent possession. The rival that was feared, of course, was Japan. It is true that the war of 1904-5 was scarcely ended before the St. Petersburg and Tokio Governments began to draw together; and successive agreements in the ensuing decade brought them outwardly into complete accord on Far Eastern affairs. But Russians east of Lake Baikal saw with increasing apprehension Japan's absorption of Korea, her veiled exploitation of Southern Manchuria, and her economic penetration of Inner Mongolia, and many of them were convinced, before 1914, that Japan would some day come aggressively to Siberia.

Among those who took this view was Nikolai Gondatti, Governor General at Vladivostok at the time when the great war broke out. Rabidly anti-Japanese, he had for years left no stone unturned to block the ingress of Japanese commerce and to prevent Japanese encroachment upon Russian fishing interests; and finally he had made it the chief policy of his administration to shut out all alien labor, Chinese and Korean, as well as Japanese, although in this he was not wholly successful.

Hence it was not simply China that sensed disaster when the war unexpectedly spread to the Orient; despite the Russo-Japanese alliance, the East Siberian Russians were similarly apprehensive. Japan's professed motives in seizing Kiao-chow were discounted, and her promises to maintain Far Eastern peace were regarded as having been made only for effect.

Nothing happened for more than three years—in other words, until the Bolshevik revolution turned European Russia upside down and precipitated the Asiatic dependencies into chaos. But that event created a

situation in the Far East which brought Japan and her allies and associates to vigorous action, and raised an international problem which promises to vex the chancelleries of the world for a long time to come.

The situation, in a word, was this: Soviet Russia was making peace with Germany. The latter was now free, not only to mass most of her divisions on the western front, but to overrun Russia and to turn to her own use foodstuffs and other supplies which were known to be distributed liberally along the Trans-Siberian Railroad. At Vladivostok alone 600,000 tons of food and indispensable war materials lay in the warehouses and in great heaps on the wharves. Two hundred thousand released German and Austrian prisoners of war were capable of being organized by Bolshevik commanders in Eastern Siberia for use against the Allies. Apparently, Siberia was about to be converted from an allied resource into a German base.

Another factor in the situation calls to mind one of the most romantic episodes of the war, namely, the expedition of Czechoslovak soldiers across Siberia on the way to the western front in France. Never before, perhaps, had an army undertaken to turn a retreat into an advance by circumnavigating the earth and coming at the enemy from the opposite direction. Organized from Czech and Slovak prisoners taken by the Russians in the early stages of the war, this indomitable army of 50,000 men turned to fighting on behalf of the captors, and during the last few months before the Bolshevik revolution it was the only really effective army on the Russian front. Finding itself cut off, after the revolution, from the Czechoslovak Army on the western front, it seized all the engines and cars within its reach and set out—eighty train loads in all—eastward with the intention of going to the battlefields of France by way of America. By the Spring of 1918 it had reached Western Siberia, but was beset by the Red forces and was reported to be in danger of annihilation.

Predisposed by these circumstances to favor intervention, Great Britain and France received with cordiality a suggestion of Japan that she be given a mandate by the Allies to throw a military force into Siberia. "Germany," said Marshal Foch

in February, 1918, "is walking through Russia. America and Japan, who are in a position to do so, should go to meet her in Siberia. Both for the war and after, America and Japan must furnish military and economic resistance to German penetration."

At Washington, the proposal was not immediately welcomed. On the contrary, disapproval was expressed, on the ground that the Central Powers could and would make it appear that the invaders of Siberia were doing in that quarter exactly what Germany, with a view to "restoring order," was doing in Russia. At all events, the United States, it was given out, would have no part in the campaign.

The project was, however, only momentarily halted. The murder of two Japanese in a riot in Vladivostok in early April caused a detachment of Japanese marines to be landed forthwith in that city; and the increasing seriousness of the general military situation overcame all inclination to hesitate longer. With the full assent of the Allies, Japan began sending regular troops; Great Britain and France decided to take an active part; and, by an extraordinary reversal of policy, the United States also agreed to participate. In all, about 100,000 men were despatched to the scene of action.

Historians will probably always disagree on the results, as well as the justification, of this venture. Some already hold it a gigantic fiasco, which accomplished nothing except to add to the difficulties of maintaining peace and justice in the Orient. Others consider that, in view of Germany's impending collapse, it was unnecessary, though this could not have been perceived at the time. Still others believe that, by disarming and placing under restraint the former German-Austrian prisoners and by fighting the Bolsheviks in the vicinity of Vladivostok and along the Amur, it stayed the tide of Bolshevik conquest and possibly saved China and Korea from invasion.

The one aspect of the undertaking which is indisputable is that it was deliberately turned by the Japanese to their own national advantage. It is true that the Tokio Government entered upon the campaign reaffirming its "avowed policy of respecting the territorial integrity of Russia, and of abstaining from all interference in her internal politics," and promising that upon

realization of the announced objects of the intervention it would "immediately withdraw all Japanese troops from Russian territory." But, in the first place, though it had been agreed that no power should send more than 7,200 soldiers, Japan sent 72,000; and, in the second place, the campaign, the principal commander of which, on the basis of seniority, was the Japanese General Otani, was carried out in Japanese fashion and with thinly disguised Japanese ends in view.

Admiral Kolchak's anti-Bolshevist Government at Omsk was nominally supported while it lasted, but emissaries from Tokio took advantage of its weakness to extort a number of commercial concessions. Semi-independent Cossack chiefs, notably Semenov and Kalmykov, were aided, with the general effect of discouraging the rise of a strong Government of any kind in Siberia. The country was flooded with Japanese manufacturers, shipped under the guise of military stores at a time when it was impossible for the merchants of other nations to secure shipping facilities for their goods. The Japanese constructed their own military telegraph, which they reserved entirely for their own purposes, military and commercial, and almost every strategic city and railroad junction received its Japanese garrison or guard. In short, by the close of 1918, Japan dominated the Far Eastern situation and had at her mercy not only the Russian sphere in Northern Manchuria, but all Siberia east of Lake Baikal.

These things were, of course, not unknown to the western powers, and they roused much indignation. It was, indeed, repeatedly rumored that Japan had a secret understanding with Germany under which the former was to acquire all Trans-Baikal Siberia, though this was categorically denied at Tokio. So long as the war lasted, no protest could be made. But when the armistice became assured, Secretary Lansing pointedly urged upon the Japanese Ambassador at Washington that the military party under whose dictation Japan was obviously acting in Siberia be checked in its mad course. The request caused an upheaval in Japanese political circles, and the militarists were for defying American opinion. Better counsels, fortunately, prevailed; and as an evidence of good faith more than

half of the Japanese troops in Siberia were recalled.

The question then arose whether all of the powers should not withdraw completely. The objects for which intervention was undertaken had been attained or were no longer desirable. The country's political status was still unsettled; Kolchak's Government was tottering and Soviets were being set up in the eastern cities. But the powers, including Japan, had said that they had no intention or desire to control Siberia's political future, and by midsummer of 1919, when Kolchak's régime finally collapsed, American, British and French public sentiment unmistakably demanded that the entire enterprise be brought to an end. The American withdrawal took place early in 1920, and that of the British and French soon afterward.

Japan stayed on. She reiterated that it was no part of her plan to annex Siberian territory, and she publicly promised to withdraw all of her soldiers when "the political situation in the regions contiguous to Japanese territory is settled, the danger to Korea and Manchuria removed, the lives and property of Japanese residents protected, and the freedom of communication safeguarded."

It was, of course, easy for people who suspected Japan of ulterior motives to point out the ambiguity of this pledge; precisely when the political situation in Siberia was to be regarded as "settled" and Japanese interests were to be considered duly "protected" was likely to be viewed very differently in Tokio and in London or Washington. Furthermore, Japanese actions in succeeding months lent fresh color to the charge that there was no real intention to withdraw at all. The number of troops stationed in the country was increased until it totaled 100,000; Vladivostok was practically converted into a Japanese fortress; Nikolsk, near by, Khabarovsk, on the Amur, and other important railway towns were brought under strict control; in 1920 occupation of the Maritime Province was extended and, despite protest from the United States, possession was taken of the northern, i. e., the Russian, half of the island of Saghalien.

A section of Southeastern Siberia three times the size of New England still lies in the hollow of Japan's hand, and Japanese

influence is a main factor in the political and commercial situation westward to Irkutsk.

Rarely has a nation been more sorely tempted. Japan is a small country—hardly larger than Montana—with very limited resources. Her people multiply at the amazing rate of 12 per cent. per decade. The average density of population is 380 per square mile, as compared with 35 in the United States. The only solution of the problem of subsistence which can be immediately effective is emigration; and artisans, shopkeepers and laborers leave the country by the tens of thousands every year. Yet this emigration not only brings the empire into troubled relations with the peoples around the further shores of the Pacific, but robs it of man power that may some day be needed. Consequently there is strong desire for territory in which the Japanese may settle in unlimited numbers without being lost to the home land. Southern Siberia, although further north than the empire's emigrants would prefer to go, offers an outlet of precisely this sort. And the Japanese are already practically in possession there.

Confronted with this temptation, Japan stands at the parting of the ways. If she allows herself to be led by the militarist elements which have been the invisible powers behind the throne in recent years, she will repudiate her pledges and defy international sentiment by formally annexing some large portion of Siberia, or will perhaps seek to attain the same ultimate object by disguised control through the

intermediary of a native state or federation of States. If, on the other hand, she yields to the guidance of men who, though perhaps imperialists at heart, are conservative and cautious—men of the type of Viscount Kato, leader of the Kenseikai party—she will call her soldiery home from Siberia and try to solve her national problems on less perilous lines. Whatever her decision proves to be, world politics in the next quarter century will be profoundly affected by it.

The future of Siberia, therefore, can be laid out only in terms of possibilities. That part of the country situated west of Lake Baikal is likely to go whatever way European Russia goes. At present its connections with the Moscow Government are tenuous. Siberia east of Lake Baikal seems likely to become permanently independent, notwithstanding its predominantly Russian character. This may add to the family of nations one large State, either the Far Eastern Republic, the creation of which at Chita was announced early in the present year, or some similar political establishment. Or a series of buffer States may arise—under the more or less open control of Japan. Such an arrangement has been seriously discussed at Tokio as a means of erecting a barrier against the conquest of the Far East by Bolshevism. In any case the historic balance in the Far East would thus be overturned. Japan would become a great continental power quite as truly as if the territories had been formally annexed to the empire—an alternative which, incidentally, is not outside the possibilities of the situation.

IMPROVING THE WORLD'S TRANSIT FACILITIES

THE League of Nations Commission on Transit and Waterways ended its deliberations at Barcelona on April 21, 1921. Two conventions were signed. The first dealt with waterways, and laid down as a principle the absolute freedom of navigation for all nations without any special customs duties, taxes, or other dues. The same freedom was granted for the use of rivers harbors. The second convention dealt with the question of transit overland, and agreed that there should be absolute equality for all States in transporting goods through a country when such goods are neither tem-

barked nor disembarked in the country in question. It was agreed by the delegates that a technical consultation commission should be set up in Geneva on an international basis, for the settlement of all waterways and transit disputes. It was reported at that time that Mr. Rowell, one of the Canadian delegates at Geneva, had protested against this establishment of a new commission by the Barcelona Conference as contrary to the League Assembly's rulings. M. Hanataux, who presided at Barcelona, delivered a farewell address emphasizing the unanimity of the decisions reached.

BUSINESS CONDITIONS IN SIBERIA

BY WALTER IRVING

This article was written in Vladivostok and sent to CURRENT HISTORY from that port on March 22, 1921. Its author is connected with a leading business establishment there, and his description of the economic and trading situation in Siberia is based on intimate personal knowledge. His summary of political happenings since the fall of Kolchak, coupled with his clear-eyed view of present business conditions throughout Siberia, has special interest at a time when both the Soviet Government and the leaders of the Far Eastern Republic are talking of giving vast concessions to foreign capital.

WITH the retreat of the Kolchak forces, which began about the beginning of November, 1919, and continued until February, 1920, the territory evacuated by them came under the rule of the Central Soviet Government in Moscow. The remnant of the Kolchak forces, an army of about 40,000 officers and men under the command of General Kappel, was forced to retreat on foot, the railway to the east being heavily overburdened with the evacuation of the Czechoslovak and other allied forces. This retreat was made in the depth of the Siberian Winter. The Kappel force was closely pursued by the Red Army, and was continually engaged in rearguard actions with the enemy. When this force arrived outside the town of Irkutsk it found the town in the hands of the Reds, so that the army was forced to make a detour to the northward, in order to avoid being surrounded. Crossing the frozen Lake Baikal into the Transbaikial Province, it eventually joined up with the anti-Bolshevist force of General Semenov, whose headquarters were in Chita. This retreat of General Kappel's force a distance of some 2,000 miles, through hostile country, and in the depth of the terrible Siberian Winter, took a heavy toll. Of the 40,000 that retreated from Krasnoyarsk, only about 20,000 reached Chita. General Kappel himself died on the way, and his body was brought to Chita for interment.

It was only the presence of the Japanese forces in Transbaikalia that prevented the Reds from pursuing the anti-Bolshevist forces further than Irkutsk. The communist Government which was eventually formed in Western Transbaikalia, with headquarters in Verkhneudinsk, and which was supported by the Soviet authorities, afterward attacked the anti-Bolshevist forces, but as the latter were materially and actively sup-

ported by the Japanese, they were more than able to hold their own. Eventually an agreement was signed between the Japanese and the Verkhneudinsk Government, whereby Verkhneudinsk undertook not to move its armed forces further east than the Yablon Mountains, which practically cut Transbaikalia into two equal parts. Two Governments were formed, the Verkhneudinsk Government ruling Western Transbaikalia, and the Government of General Semenov, Eastern Transbaikalia. These events, so far as the Russian Far East was concerned, had the effect of making the Siberian territory west of the Yablon Mountains a sealed book, as there was no free intercourse between Eastern and Western Siberia, and no postal, telegraphic or railway communication. This vast territory, therefore, both politically and economically, came under the direct influence of the Moscow Government, and the form of government prevalent in European Russia was extended to Western and Central Siberia.

The Russian Far East, composed of five provinces—Transbaikalia, Amur, Maritime, the Island of Saghalien and Kamchatka—after the fall of the Kolchak Administration, was administered by four separate Governments—Western Transbaikalia by the Verkhneudinsk Government, Eastern Transbaikalia by the anti-Bolshevist Government of General Semenov, the Amur Province by the communistic Government of Blagoveshchensk, and the Maritime Province, together with the Island of Saghalien and Kamchatka, by the Vladivostok Government, which was a coalition Government, with the communists in the majority. Each Government had its own special administration and its own paper currency, each issuing paper with a face value of millions of rubles, but in reality worth hardly more than the paper it was printed

on. Each Government had also a certain amount of gold and silver at its disposal, these metal reserves being parts of the Russian metal reserve which had been captured by the Kolchak Government, and which, when the Kolchak forces had been obliged to retreat, was evacuated to the east. The Blagoveshchensk Government, which had no metallic funds, was overjoyed when the Vladivostok Government evacuated the Kolchak gold, some 2,000 poods, to Blagoveshchensk for safe keeping. Naturally the Vladivostok Government never saw this gold again, Blagoveshchensk thinking that it had quite as much right to it as Vladivostok. The metal reserves of the different Governments had to be held strictly for the supplying of the population with the necessities of life, for the purchase of grain, flour, meat, &c.

As the trading and economic status of the whole of the Russian Far East had collapsed, such commodities had to be obtained from Northern Manchuria, and as the Chinese merchants would sell their commodities only for good "hard cash," it was not long before the supplies of metal were exhausted. Then came the time of nationalization and requisition from the peasants in the territories that had been evacuated by the Japanese forces. What effect these requisitions had on the economic life of the country will be described later.

With the withdrawal of the Japanese forces from Transbaikalia and the subsequent withdrawal of the support to General Semenov's Government, it soon became evident that an agreement must be come to between Chita and Verkhneudinsk, or that the Chita Government must capitulate. Several attempts were made to come to an agreement, but owing to the various demands made by Verkhneudinsk, some of which were not acceptable to Chita, it was evident that military operations were inevitable. These eventually came to a head. The Semenov and Kappel forces put up a hard fight, but they were obliged to retreat into Chinese territory, where they were disarmed by the Chinese military authorities. In accordance with their wishes they were transported to the Maritime Province, where they are now trying as far as possible to eke out an existence by peaceful labor.

With the fall of the anti-Bolshevist Gov-

ernment of Chita a movement was started for uniting the whole of the Russian Far East under a central Government as an autonomous democratic State, and with headquarters in Chita, to serve as a buffer State between Japan and Soviet Russia. This project was eventually brought into being when the Amur Government subjected itself to Chita. Vladivostok, after many discussions in the local National Assembly, subjected itself under certain conditions, the principal one being that the local National Assembly should still exist as a provincial apparatus for the administration of the province, in order to ward off the danger of the military occupation of the province by the Japanese forces, should the administration not meet with the approval of the Japanese command.

As the Chita Government was entirely composed of communists who were under the direct influence of the Moscow Government, it was only to be expected that a form of government exactly similar to that in force in Soviet Russia and Siberia would be brought into being by the Government of the Far Eastern republic. It is true that, in accordance with the declaration of the Chita Government, freedom of the press, free trade and the inviolability of private property were guaranteed by the buffer State, but there are plenty of ways of gaining the desired end, and a communist can generally find a way, even if he has to repudiate a whole series of previous declarations. Vladivostok and the surrounding districts, owing to the presence of the Japanese forces, has not as yet felt the full force of the "Proletariat's Paradise," and the Vladivostok authorities, although in reality subject to Chita, bow to its authority only when such bowing will not upset the Japanese; whenever there is a possibility of a conflict with the Japanese, should the local authorities accede to the demands of Chita, such demands fall upon deaf ears, and Chita has no redress.

* * *

The Japanese forces in Siberia are said to number three army divisions, a total of about 30,000 officers and men. With the forming of the Central Government in Chita, and Vladivostok's submission, it seemed as if a conflict between the Japanese and Chita was inevitable, the Japanese command openly declaring that it would

not allow a communist form of government in the territory occupied by the Japanese forces. In spite of the Chita Republic's declarations of a democratic form of government the Japanese will have nothing to do with it, and they maintain connections only with the local authorities in Vladivostok, all disputes being brought before the Russo-Japanese Conciliatory Committee, which was formed after the operations of the Japanese forces in the Maritime Province on April 4 and 5, 1920. This committee is still functioning.

A great deal of discussion is going on in the Russian and Japanese press regarding the evacuation of the Japanese forces from Siberia, but in my opinion this will not be soon, as the local Japanese residents have signed a petition to their home Government demanding adequate protection of their lives and property, and as the Japanese Parliament has voted all the credits for the upkeep of the Siberian expedition.

A word might also be said here about the comments in the world's press regarding the actions of the Japanese in Eastern Siberia. The foreign business man, be he Japanese, British, American or French, feels that his business and capital are safe from nationalization and requisition only as long as the Japanese forces remain here, and one cannot doubt for a moment that, were the Japanese forces to be evacuated, Vladivostok and its surrounding districts would suffer the same fate as the other territories of Siberia. Besides, as no other nation thinks fit to go to the expense of protecting the lives and property of its nationals in Siberia, except perhaps America, which has a cruiser permanently stationed here, what nation can question the right of the Japanese to protect the lives and property of their nationals, who, next to the Chinese, form the largest part of the foreign population of the Russian Far East? Moreover, the political, economic and national welfare of the Japanese Empire is threatened by the extending of Bolshevik influence to its territories, and who can deny Japan the right of taking the measures which she thinks fit to prevent such a possibility?

* * *

According to official statistics of the Imperial Russian Government for 1911, the

Government income and expenditure for Siberia were as follows: Income, 111,500,000 rubles; expenditure, 298,300,000 rubles; excess of expenditure over income, 186,800,000 rubles.

The income and expenditure were divided among the Siberian provinces as follows:

Province.	Income in Millions of Rubles.	Expenditure in Millions of Rubles.
Tobolsk	1.0	7.5
Tomsk	42.7	65.5
Akmolinsk, Semipalatinsk and Semiretschensk.....	15.8	24.0
Western Siberia.....	59.5	97.0
Yeniseisk	8.6	12.8
Irkutsk	15.5	47.3
Transbaikalia	10.0	44.0
Yakutsk	1.0	1.5
Central Siberia.....	35.1	105.6
Far East.....	16.9	95.7
Total for Siberia.....	111.5	298.3

The further to the east, the greater the expenditure became. If, for instance, we take the income for the various regions of Siberia as 100, the expenditure would be as follows:

	Income.	Expenditure.
Western Siberia.....	100	160
Central Siberia.....	100	300
Far East.....	100	570
Siberia	100	260

In general the expenditure of the Imperial Russian Government in 1911 for Western Siberia was one and one-half times the income, for Central Siberia almost three times, for the Far East almost six times, and for the whole of Siberia two and one-half times the income.

From the above it will be seen that the Russian Far East, including Transbaikalia, cost the Imperial Government Treasury some 113,000,000 rubles. With the financial budget of the Soviet Government in the state it is, owing to a heavy annual deficit for the last three years, it was natural that Moscow should find a way of ridding itself of this burden, which at the present state of the depreciated currency would not be, say 113,000,000, but as many milliards. What better way could be found by Moscow than that of granting the Far East its autonomy?

Another reason for the granting of autonomy was the need of Moscow for a respite from military operations in the east,

thereby giving her the possibility of putting her house in order in the reconquered territories; the Moscow Government had hopes, which to a great extent were fulfilled, of relieving the great shortage of first necessities felt in European Russia from the cutting off of stocks in Siberia. A conflict with the Japanese would have upset these plans, as Moscow would have been engaged in military operations against a strong foe, with the added danger of having a line of communications which was liable to be cut at any moment. In spite of the numerous demands and petitions from the Far East for a reunion with Soviet Russia, the edict went forth from Moscow that a buffer State must be formed, and that to appease the Japanese this new State must have a democratic form of government.

In reality there is no difference between the form of government in force in European Russia and the Russian Far East, as Chita is under the direct influence of Moscow, and in Chita Moscow's orders override all others. Only in Vladivostok and the surrounding districts is there a less radical form of government, due to the presence of the Japanese forces.

* * *

Financially, Siberia and the Russian Far East are in a deplorable state. All the Siberian territories are flooded with paper currencies of every sort and design. Among them might be mentioned Romanoff paper, Kerensky paper, Soviet paper, paper of the Verkhneudinsk Government, Amur paper money and, last but not least, paper money of the Vladivostok Government. At present in Vladivostok and its surroundings the Vladivostok paper money has almost entirely disappeared from circulation, which is not surprising, seeing that one can buy some 3,000 Vladivostok paper rubles for one Japanese yen. Vladivostok district is the only territory in Siberia which has a stable currency. The principal circulating medium is the Japanese yen, although American and Chinese dollars have free circulation and are accepted at the current rates. There are also small Russian silver coins in circulation.

Naturally, the purchasing power of the Russian Far East has fallen away to nothing, as nobody cares to accept paper money

in exchange for his goods. The peasant, when he brought his commodities to market, would not accept this worthless paper money for them, but would exchange them only for some commodity of which he was in need. Later, the only way in which the Government could obtain the necessary supplies for the population was by requisitioning these commodities from the peasants, for which they paid paper money at fixed rates, in exchange for which the peasant could not buy anything. Now the peasants have become wise and do not produce any surplus commodities, but only enough for their own needs, so that the town population can no longer be supplied from this source. All the metallic funds which the various Governments had at their disposal have long ago been expended for necessities, the biggest part having gone to the merchants of Northern Manchuria, so that Siberia, one of the former granaries of the world, that used to export grain and foodstuffs for millions of rubles yearly, is now on the verge of starving, the population just eking out a bare existence. The authorities have been obliged to take extraordinary measures to supply the population with the necessities of life and are sending armed detachments into the villages for the requisition of commodities from the peasants. The latest news states that not only European Russia, but the whole of Siberia, is in revolt, this being the direct result of these forcible requisitions.

Although no definite news has been received regarding the success of these revolts, even should they fail, the Soviet Government will be forced to moderate its policy in order to satisfy the peasants, who form 80 per cent. of the population.*

Since the fall of the Kolchak Administration there has been a steady decline in the trade of the country, till at the present time it has about reached its limit. The former prosperous import and export trade through Vladivostok has fallen away to nothing. The decline in the import trade is due to the low purchasing power of the population, also to the fact that the merchants do not care to take the risk of importing goods which might eventually be

*Since this was written, the anti-Soviet uprisings, due to the cause stated, have generally failed, but Lenin has announced the modification of the Soviet policy regarding the peasants foreseen by the writer of this article.—Ed.

requisitioned. The decline in the export trade is due to the low productive power of the population and the deplorable state of the transport facilities, as well as to the many restrictions placed upon export goods by the local authorities.

A report of the Vladivostok Agency of the Chinese Eastern Railway states that on Feb. 1 the amount of export goods lying at Eggersheld Docks awaiting export was about 700,000 poods, or about 11,500 tons. Compare this figure with that quoted before the war, or even during the war, when there was always from 10,000,000 to 15,000,000 poods awaiting shipment, and you will get an idea of the decline in the export trade through the port of Vladivostok. In former times a great part of the transit export trade from Northern Manchuria passed through Vladivostok, the remainder going through the South Manchurian port of Dairen. In former times Vladivostok could freely compete with Dairen, but during the last year Vladivostok has been left a long way behind. The principal reason for the loss of this once profitable trade is found in the very heavy demands made by the Vladivostok dock laborers for the loading of cargoes; also in the very frequent strikes; the exporters had no guarantee that the cargoes would be loaded in the contracted time, and, if the loading was not done, they became liable for heavy demurrage payments for delays to vessels. A report says that during 1920 some 8,000,000 poods of export cargoes were shipped through Dairen, whereas last year only 1,500,000 poods of transit cargoes were shipped through Vladivostok.

At a discussion of the local Chamber of Commerce regarding measures to be taken for the reviving of the export transit trade through Eggersheld Docks, it was found that the principal obstacle was the absence of sufficient guarantees to the exporters that their export cargoes would not be requisitioned and confiscated, and that in the absence of such guarantees foreign insurance companies refused to insure such cargoes; that foreign banks refused to give advances against such cargoes, and that the tax of the Vladivostok dock laborers for loading was too high, and would have to be considerably reduced in order to compete with the port of Dairen. It was decided to apply to the local Government, petitioning

it to make a special law guaranteeing export cargoes from any kind of requisition and confiscation, and also to indicate to the authorities the necessity, in the interests of the dock laborers themselves, of reducing the tax for loading cargoes by 50 per cent.

With the exception of Vladivostok City and district there is no freedom of trade in Siberia, the trade of the country being monopolized by the Government and centred in the hands of its agents, the co-operative societies. These concerns receive subsidies from the Government, otherwise they would not be able to exist. In former times they received the support of the peasants, who handed to them their commodities for shipment abroad, thus supplying them with funds for the purchase of foreign manufactured goods, which they received and turned over to the peasants. But this state of affairs is ended, the peasant now having no surplus commodities, and were the Government to take away its support of these concerns they would fall to pieces. In such circumstances it is not surprising that trade steadily goes from bad to worse.

There is much talk in the press regarding the possibility of trade with Russia, but how trade can be carried on in existing circumstances it is impossible to say. There is no money in the country, excepting worthless paper money, so that business can be done only on a credit basis; but what reasonable business man would think of extending credit to the co-operative societies?

The only way in which the trade of the country could be reconstructed would be to hand it over to private enterprises, the heads of which are real business men, men who are experienced in the methods of their own particular districts.

In conclusion I would say that Siberia offers great opportunities for foreign capital. Its great stores of mineral wealth being as yet practically untouched, they constitute a great source of supply of numerous raw materials. So far only Japan has taken an active part in trying to reconstruct Siberian trade and industry, but there is room for the capital of all nations, and the first to come will receive the best pickings. For the exploitation of the riches of Siberia, capital is needed, and only the foreigner can supply it.

SIBERIA'S NEW REPUBLIC: ITS STANDING

BY FRANCIS B. KIRBY

Member of a British Engineering Concern in Vladivostok

A clarifying account of how the Far Eastern Republic at Chita was evolved by absorbing the powers of three other Governments—Its relations with Moscow and its local reputation—What Japan is working for in Siberia

WHEN Kolchak's Government collapsed in Irkutsk in December, 1919, the authority in that place fell into the hands of the non-Bolshevist Socialists and Democrats. These people formed what was called a political centre, composed of various well-known social-revolutionary and democratic political workers, who conceived the idea of creating a buffer State, extending for the time being from Irkutsk to Vladivostok, the Government of which was to be of a genuinely democratic nature and to be situated in Irkutsk. This idea even met with the approval of the Moscow Soviet, as the latter hoped to use the proposed buffer State as a link with the outside world for the purpose of obtaining much-needed supplies. The reign of the political centre in Irkutsk, however, was a very short one, as the undercurrent of local Bolshevism soon became too strong for it, and its leaders were obliged to transfer their activities to Verkhne-Udinsk, leaving Irkutsk in Bolshevik hands.

On Jan. 31, 1920, the last of Kolchak's representatives, General Rozanov, was overthrown in Vladivostok by the Partisans, and the reins of government in that place were put in the hands of the Zemstvo Board of the Maritime Region. The Partisans then made their way up the railway as far as Khabarovsk, which thus came under the jurisdiction of the Vladivostok Government. Blagoveshchenck, however, fell into the hands of its local Bolsheviks.

A curious situation was thus created, in that there were four Governments in the Far East—Verkhne-Udinsk, Chita, Vladivostok and Blagoveshchensk. The first and third of these were democratic in character; the second, under Ataman Semenov, reactionary, and the last semi-Bolshevist. Semenov's Government in Chita naturally existed only because of the presence of

Japanese troops, and it considerably hampered the efforts of the Verkhne-Udinsk and Vladivostok Governments.

As had been the case with the Irkutsk political centre, the local Bolshevik element soon became too strong for the Verkhne-Udinsk and Vladivostok Governments' democratic aspirations, and by the end of March the controlling influence in both these centres was Bolshevik, although the nominal authority was still with the Zemstvos. It was this undesirable state of affairs which caused the Japanese to resort to strong measures on the 4th and 5th of April, 1920, in Vladivostok, Nikolsk-Ussurisk, Khabarovsk, Iman, &c., as a result of which the railways as far as Khabarovsk and Pogrannitchnaia were placed under Japanese control and the towns on this line were policed by Russian militia under strict Japanese supervision.

Having drawn the teeth of the local Bolsheviks and Partisans, the Japanese left the Russians to work out their own political salvation, merely reserving to themselves the right to maintain law and order in the zone occupied by Japanese troops. Although their methods were at times clumsy, and misunderstandings were frequent owing to their lack of knowledge of the Russian language and to their regarding many things from a viewpoint quite incomprehensible to the European nations, the Japanese displayed great forbearance, cool-headed judgment, and unselfishness in their handling of the Russian problem. In judging the actions of the Japanese, one must compare them with those of the many other nations who have taken a hand in this Russian business, and not treat the Japanese as a nation apart from the rest without a right to any ambitions or aims of their own. There are very few among the "interventionaries" in Russia's affairs who can con-

scientifically throw many stones at the Japanese.

In April, 1920, Krasnochekov—alias Tolbelson—a well-known Bolshevik leader from Khabarovsk, turned up in Verkhne-Udinsk and formed a new Government of distinct Communist tendencies. Krasnochekov claimed precedence for his Government over all other Governments in the Far East.

On the other hand, the Vladivostok Government by this time was making genuine efforts to get rid of its Bolshevik element

present at the first sitting it could hardly be called a great success.

The first sitting of the Vladivostok National Assembly took place on June 20, 1920. The number of delegates present was 113, the majority representing the peasants.

Following on the formation of the National Assembly, efforts were made by the Vladivostok administration to persuade the moderate and conservative elements to enter the Government, and a coalition Government was formed which lasted until the middle of October, when it collapsed ignominiously, owing to the moderate elements withdrawing on account of the treacherous behavior of the Bolsheviks.

Since that time no Government worthy of the name has existed in the Far East, and judging from the efforts of the present Chita and Vladivostok régimes, it is improbable that they will ever develop into anything of a sound and lasting nature.

The next important event in the existence of the buffer State was the election of the Constituent Assembly. This was led up to by an exchange of delegations between Vladivostok and Verkhne-Udinsk, Vladivostok and Chita, and Vladivostok and Blagoveshchensk. These delegations were exchanged during the month of October for the purpose of discussing the question of joining the Far Eastern buffer State, determining the nature of its government, and deciding where the seat of government was to be. Nothing very much came of these preliminary delegations, as naturally Semenov's régime in Chita could not agree with that of Verkhne-Udinsk, and neither could agree with Vladivostok. However, by the end of October the Japanese had evacuated Transbaikal and Semenov's régime in Chita had come to an end. The Verkhne-Udinsk administration moved to Chita, and the work of unifying the Far Eastern State began in earnest by the appointing of a temporary Cabinet in Chita, consisting of five communists. This was done without even consulting Vladivostok, and from that time on Chita began dictating terms to the other centres of the buffer State, Vladivostok being relegated to the position of a mere district administration. The elections to the Constituent Assembly took place in January, 1921, and on the whole resulted in a victory for the communists, as the Peasant Party, under the in-



(Photo Keystone View Co.)

ALEXANDER M. KRASNOCHEKOV

Provisional President of the Far Eastern Republic

and was preparing for the convocation of the National Assembly or Pre-Parliament, which was to take place on June 17. Chita remained in the hands of Semenov and the Japanese, while Blagoveshchensk was sitting on the fence claiming no precedence for itself, but waiting to see whether it should throw in its lot with Vladivostok or with Verkhne-Udinsk.

In order to forestall the Vladivostok National Assembly, Semenov opened a so-called National Assembly in Chita on June 5, but as only fourteen genuine delegates were

fluence of fear of foreign aggression and reactionary adventures, joined them.

The Constituent Assembly was opened on Feb. 12, 1921, and at its first sitting elected as its President and Vice Presidents, Shilov, Borodavkin, and Klark, all communists. Since that date the Assembly has been in session, but has done nothing to improve the financial or economic condition of the State. It has been clear throughout that Chita's policy is dictated by Moscow, and in fact many of the so-called representatives of the Chita Government who have come to Vladivostok have been sent direct from Moscow.

There is little more to say about the Government of the Far Eastern Republic. That it is Bolshevik through and through is clear to every unbiased observer, but in order to get on friendly terms with the outside world and so obtain much-needed supplies of first necessities of life, it can doubtless be forced to adopt a democratic system, and this is what Japan is at the present moment trying to bring about.

The economic condition of the buffer State is deplorable and its towns are actually on the verge of starvation. Discontent is rife amongst all classes of the population, and it is difficult to see how any improvement can be reached without outside assistance. Soviet Russia has quite enough trouble of her own, and, in fact, looks to the buffer State for help in the way of supplies, so aid must come from Japan or America or both. Financially the country is completely ruined, and the various administrations, State and municipal, are hard put to it to find money to pay their employees. Industry and commerce are at a complete standstill. The value of real estate has fallen to ridiculous levels, as even foreigners are afraid to invest, not knowing when the Bolsheviks may be all-powerful in the buffer State and everything nationalized. So far, the Japanese are the only people who are taking serious advantage of this situation, and they are gradually getting an economic grip on the country by buying houses, land and commercial enterprises at low prices.

As regards the Japanese remaining in Vladivostok permanently, as many people have got into the habit of predicting, this is hardly probable. There are other reasons apart from the climate which prevent the Japanese from making a colony of the Far

East of Siberia, but it is improbable that they ever had any such intention. From all their actions it is quite clear that what they intend to capture is the Siberian market for their cheap manufactured goods,



(Keystone View Co)

MATVAEV, MINISTER OF WAR
The man who is organizing the Far Eastern Republic's army against Japanese aggression

and, by diligently buying property and securing all kinds of concessions, get the economic control of Eastern Siberia. This will undoubtedly prove to be a good investment, provided the Japanese are able to make use of their opportunities and produce salable goods, and combined with the possession of Saghalien and the fisheries will satisfy the appetite of Japan.

The Japanese will evacuate Siberia just as soon as they are satisfied that the Government of the buffer State intends to follow a democratic policy and will not indulge in Bolshevik habits of requisitioning other people's goods or nationalizing private enterprises. The most optimistic observer cannot truthfully say that the Far Eastern republican Government has yet reached this state of perfection, consequently it is not surprising that the Japanese remain.

Vladivostok, April 12, 1921.

THE PEACE TREATY BETWEEN POLAND AND RUSSIA

Text of the compact between Poland and Russia, which reflects the relations of the two peoples from 1772 down to the present—All expropriated property to be returned to Poland, which also receives new territory and 30,000,000 gold rubles—Political amnesty and abstention from propaganda agreed upon

THE treaty of peace finally concluded between Soviet Russia and Poland, as the principal high contracting powers, and with the Soviet Ukrainian Government as a minor signatory, was signed at Riga, the capital of Latvia, on March 18, 1921. Agreement between the Polish and Russian delegates on the terms eventually signed was reached only after months of negotiations, which were often threatened with disruption, and only mutual concessions made the conclusion of the treaty possible. Both Governments welcomed the signing of the compact. Moscow ratified the document on March 22. The Polish Diet formally ratified it on April 15, thus coming within the thirty days' time limit set for ratification. The ratification of the Ukraine was included in that of the Soviet Government.

This long, detailed and historically important document gives an interesting reflection of the interrelations of Russia and Poland since 1772. Poland's national pride was solaced by the Soviet pledge to return all the old Polish flags and trophies of war seized by former Russian armies and carried off triumphantly to Russia. All property seized since the European war, and especially during the recent war between Russia and Poland, is to be restored to the former owners. A general political amnesty is agreed to by the contracting parties, who also mutually agree to refrain from all subversive propaganda against each other, and to refuse support to all organizations hostile to the other. In plain words, this means that Moscow promises to cease anti-Polish propaganda, and that Poland will aid no other military ventures to overthrow the Bolshevik Government. Poland is freed from all the debts of the former Empire, and will receive 30,000,000 gold rubles to recompense her for her former economic credits.

The wavering and much-disputed boundaries between Poland, Russia and the

Ukraine are fixed, and the Moscow Government cedes to Poland some 3,000,000 square kilometers of territory near Minsk, and also the Ukrainian district of Polesia. [For Russian protests and other details, see Pages 489-90] CURRENT HISTORY is indebted to the Polish Bureau of Information, New York City, for the following translation of the treaty; also for the summary of the boundary terms which is here substituted for the long and tedious details in Article 2 of the original document. Otherwise the following is the complete text of the treaty:

INTRODUCTION

PREAMBLE—*Poland on the one hand, and Russia and the Ukraine on the other hand, desirous of terminating as soon as possible the war between them, and with the aim of concluding a final, lasting and honorable peace founded on a mutual understanding, on the basis of the agreement signed in Riga on Oct. 12, 1920, concerning the preliminary conditions of peace, decided to open peace negotiations, and to this end designated as their plenipotentiaries:*

The Government of the Republic of Poland: Messrs. John Domb ski, Stanislaw Kauzik, Edward Lechowicz, Henry Strasburger and Leon Wasilewski;

The Russian Socialist Federated Soviet Republic in its own name, and with the authorization of the Government of the White-Ruthenian Socialist Soviet Republic, and the Ukrainian Socialist Soviet Republic: Messrs. Adolf Joffe, Jacob Hanecki, Emanuel Quiring, Leonid Obolenski and Alex Szmulski.

The above-named plenipotentiaries assembled in Riga, after the exchange of their credentials, acknowledged as sufficient and drawn up in proper form, agreed to the following decisions:

ARTICLE 1—Both contracting parties declare that the state of war between them is ended.

ARTICLE 2—Both contracting parties, conforming to the principle of the right of nations to self-determination, recognize the independence of the Ukraine and White-Ruthenia, and agree and decide that the eastern frontier of Poland, that is, the frontier between Poland on the one hand, and the Ukraine and White-Ruthenia on the other hand, shall be constituted by the following line:

[Then follows a detailed description of the frontier, which may be summarized by stating

that beginning at the junction of Latvia and Russia the international boundary follows the river Dzwina in a southeasterly direction past the town of Dzwina, where the line turns off in a southern direction, leaving the town of Orzechowno on the Polish side, and continuing south about twenty kilometers east of the Polish city of Wilejka, and about an equal distance to the west of the White-Ruthenian city of Minsk. Thence the frontier traverses the great Pinsk marshes, crossing the Prypek River about sixty kilometers to the east of the Polish city of Pinsk. Continuing south across the lowlands, the line passes well to the east of the Polish cities of Rowno and Dubno, and then follows the old Austrian frontier of Eastern Galicia to the junction of the Zbrucz River with the Dniester River. This line varies but slightly from the armistice line agreed upon in October 1920].

The exact determination and demarcation on the spot of the above frontier, and the placing of frontier marks, are the duty of the Mixed Commission of Demarkation, appointed on the basis of Article 1 of the agreement concerning the Preliminary Conditions of Peace of the 12th of October, 1920, and in conformity with the supplementary protocol on the subject of the execution of the above article, signed at Riga on Feb. 24, 1921. * * *

Each of the contracting parties binds itself, not later than fourteen days after the signing of the present treaty, to withdraw its military forces and its administration from those localities which, in the present description of the frontier, have been recognized as belonging to the other side. In localities lying on the frontier line itself, in so far as in the present treaty it has not been determined to which side they belong, the administrative and frontier authorities at present existing will remain until the frontier is marked on the spot, and the appurtenance of these localities has been defined by the Mixed Commission of Demarkation; these authorities shall then be removed to their own territory, observing the principles given in paragraph 9 of the Armistice Agreement of Oct. 12, 1920.

The question of archives connected with the territory of Poland is determined in Article 2 of the present treaty.

TERRITORIAL RIGHTS

ARTICLE 3.—Russia and the Ukraine renounce all rights and pretensions to territories situated to the west of the frontier determined in Article 2 of the present treaty. Poland on her part renounces, to the benefit of the Ukraine and White-Ruthenia, all rights and pretensions to territories situated to the east of this frontier.

Both contracting parties agree that in so far as the territories situated to the west of the present frontier determined in Article 2 of the present treaty include territories under dispute between Poland and Lithuania, the question of the appurtenance of these territories to the one or the other of these two States belongs exclusively to Poland and Lithuania.

ARTICLE 4.—From the former appurtenance

of parts of the territories of the Polish Republic to the former Russian Empire, no obligations or burdens shall result for Poland in relation to Russia, except those foreseen by the present treaty.

In an equal measure, from the former common appurtenance to the former Russian Empire no mutual obligations and burdens shall result between Poland, White-Ruthenia and the Ukraine, except those foreseen by the present treaty.

RESPECT OF SOVEREIGNTY

ARTICLE 5.—Both contracting parties guarantee to each other complete respect of State sovereignty and abstinence from any interference whatever in the interior affairs of the other party, especially from agitation, propaganda and all kinds of intervention, or from supporting the same.

Both contracting parties undertake the obligation neither to create nor to support organizations having for their aim armed combat with the other contracting party, either by attacking its territorial integrity or preparing the overthrow of its State or social structure by violence, as well as organizations assuming the rôle of Government of the other party or of a part of its territory. Wherefore the two contracting parties bind themselves not to allow the presence on their territories of such organizations, their official representations and other organs, to forbid the recruiting of soldiers, as well as the import to their territories and the transport through their territories of armed forces, arms, ammunition and all kinds of war materials destined for these organizations.

CITIZENSHIP OPTION

ARTICLE 6-1. All persons who have reached the age of 18 years and who are on Polish territory at the moment of the ratification of the present treaty, who on Aug. 1, 1914, were citizens of the Russian Empire and are inscribed, or have the right to be inscribed in the registers of the stable population of the former Kingdom of Poland, or were inscribed in the town or rural communes, or in one of the social class organizations on territories of the former Russian Empire forming part of Poland, have the right to make known their desire on the subject of the option of Russian or Ukrainian citizenship. From former citizens of the former Russian Empire of other categories, who at the moment of the ratification of the present treaty are on Polish territory, such action is not required.

2. Former citizens of the former Russian Empire who have reached the age of 18 years, who at the moment of the ratification of the present treaty are on the territories of Russia or the Ukraine, and are inscribed or have the right to be inscribed in the registers of the stable population of the former Kingdom of Poland, or were inscribed in town or rural communes, or in one of the social class organizations on territories of the former Russian Empire forming part of Poland, will be considered as Polish citizens if, in the form of option foreseen in the present article, they express such desire.

Equally, persons who have reached the age of 18 years and are on the territory of Russia or of the Ukraine, will be considered as Polish citizens if, in the form of option foreseen in the present article, they express such a desire, and prove that they descend from participants in the struggle for the independence of Poland in the period from 1830 to 1865, or that they are the descendants of persons who, no further than three generations back, were permanently domiciled on the territory of the former Republic of Poland, and prove that they themselves, by their activities, their use of the Polish language as their usual language, and in the bringing up of their offspring, have plainly manifested attachment to Polish nationality.

3. The prescriptions concerning option apply also to persons corresponding to clauses 1 and 2 of the present article, in so far as these persons are outside the Polish frontiers in Russia or the Ukraine, and are not citizens of the State in which they reside.

4. The choice of the husband extends to the wife and the children up to the age of 18 years, in so far as a different understanding does not take place between husband and wife on this subject. If husband and wife cannot agree, the wife has the right of independent choice of citizenship; in this case the choice of the wife extends to the children brought up by her.

In case of the death of both parents the choice is adjourned until the child attains the age of 18 years, and from that date are reckoned all time periods determined in the present article. For others incapable of legal action the choice is made by a legal representative.

5. Declaration of the choice of citizenship should be made before a Consul or other official representative of the State for which the person in question declares himself, within the term of one year from the moment of the ratification of the present treaty; for persons residing in Caucasus and in Asiatic Russia, this term is prolonged to fifteen months. These declarations will be made within these same time periods before the proper officers of the State in which the person in question finds himself.

Both contracting parties undertake the obligation, within one month from the date of the signing of the present treaty, to publish and make known, as well as to make known to each other reciprocally, a list of the authorities designated to receive declarations of the choice of citizenship. The two contracting parties also undertake to make known to each other, within the term of three months, by diplomatic procedure, lists of persons who have made declarations of choice of citizenship, with mention both of the declarations recognized as valid and the declarations recognized as non-valid.

6. Persons making declaration of choice of citizenship do not thereby acquire the nationality chosen. When a person who has made a declaration of choice of citizenship responds to the conditions specified in clauses 1 and 2 of the present article, the Consul or other official representative of the State in favor of which the choice is made, shall give the decision thereon, and shall send his attestation, together

with the documents of the chooser, to the Ministry (People's Commissariat) of Foreign Affairs. Within the term of one month from the day of sending the attestation, the Ministry (People's Commissariat) of Foreign Affairs shall either communicate to the afore-mentioned representative its opposition to the decision, in which case the matter shall be decided by diplomatic procedure, or shall recognize the decision of the representative, and shall send him an attestation of the cessation of the former citizenship of the chooser, together with all the other documents of the chooser except his residence permit.

The non-reception within the term of one month of the notification of the Ministry (People's Commissariat) of Foreign Affairs shall be considered as consent to the decision of the representative.

In cases where the person choosing responds to all the conditions mentioned in clauses 1 and 2, the State in favor of which the option is made shall not have the right to refuse citizenship to the person choosing, while the State in which the person in question is residing shall have the right to refuse liberation from citizenship.

The decision of the Consul or other official representative of the State in favor of which the choice is made, shall fall within a term of two months at most from the moment of the reception of the declaration of choice; this term, for persons residing in the Caucasus and in Asiatic Russia, shall be prolonged to three months. The execution of option shall be free from stamp, passport and all other taxes, including taxes for publication.

7. Persons who have validly executed their option shall be allowed to depart without obstacle to the State in favor of which the choice was made. Both contracting parties, however, may demand that these persons shall make use of their right to leave; in this case the departure shall take place within six months from the day of notification.

The choosers have the right to retain or legally liquidate their movable and immovable possessions; in case of departure they may take their belongings with them in accordance with the rules determined in Affix 2 to the present treaty. Possessions so taken out of the country shall be free from all customs duties and taxes. Possessions exceeding the standard fixed for possessions to be taken out of the country may be taken away later, when transport conditions have improved.

8. Up to the moment of a validly executed option, choosers shall be subject to all the laws obligatory in the State in which they are residing; after its execution they shall be considered as foreigners.

9. Should the person who has validly executed his option be under accusation or under trial for a penal offense, or be serving his sentence, he will be sent under guard, together with the documents pertaining to the case, to the State in favor of which the choice was made, if that State demands his extradition.

10. Persons who have validly executed their option shall be recognized in every respect as

citizens of that State in favor of which their choice was made, and all rights and privileges without exception granted to the citizens of that State, be it by the present treaty or by future agreements, shall belong to the choosers in the same measure as if they had been already citizens of the State in favor of which they have chosen, at the moment of the ratification of the present treaty.

NATIONAL RIGHTS

ARTICLE 7.—1. Russia and the Ukraine guarantee to persons of Polish nationality who are in Russia, the Ukraine and White-Ruthenia, on the principle of the equality of national rights, all rights securing the free development of culture, language, and the exercise of religious rites. Reciprocally, Poland guarantees to persons of Russian, Ukrainian and White-Ruthenian nationality who are in Poland all these rights.

Persons of Polish nationality who are in Russia, the Ukraine and White-Ruthenia, have the right, within the limits of internal legislation, to cultivate their own language, to organize and support their own schools, to develop their own culture, and to this end to form associations and unions; these same rights, within the limits of internal legislation, belong to persons of Russian, Ukrainian and White-Ruthenian nationality who are in Poland.

2. Both contracting parties undertake the obligation to refrain reciprocally from interference, either direct or indirect, in affairs of the organization and the life of the Church, as well as of the religious associations which are on the territory of the other party.

3. Churches and religious associations in Russia, the Ukraine and White-Ruthenia to which belong persons of Polish nationality have the right, within the limits of internal legislation, to the independent organization of the internal life of the Church. The above-mentioned churches and religious associations have the right, within the limits of internal legislation, to the use and acquisition of the movable and immovable possessions indispensable to the exercise of religious rites and the maintenance of the clergy and Church institutions. Following these principles, persons of Polish nationality in Russia, the Ukraine and White-Ruthenia have the right to avail themselves of the churches and institutions indispensable to the exercise of religious rites. This same right belongs to persons of Russian, Ukrainian and White-Ruthenian nationality in Poland.

COSTS OF THE WAR

ARTICLE 8.—Both contracting parties reciprocally renounce the restitution of the costs of the war, that is, State expenditure for the carrying on of war between them, as well as indemnity for war losses, viz., losses that were inflicted on them or their citizens on the territory of war operations by military activities and dispositions during the Polish-Russian-Ukrainian war.

ARTICLE 9.—1. The agreement on repatriation concluded between Poland, on the one hand, and Russia and the Ukraine, on the other hand,

in the execution of Article 7 of the preliminary peace agreement of Oct. 12, 1920, signed in Riga on Feb. 24, 1921, remains in power.

2. The mutual liquidation of accounts and the payment of the real costs of maintenance of prisoners of war should be made at periods of three months. The mode of calculation and the extent of these costs will be determined by the mixed commission provided for in the above-mentioned agreement on repatriation.

3. Both contracting parties pledge themselves to respect and suitably to maintain the graves of prisoners of war who have died in captivity, and also the graves of soldiers, officers and other members of the opposing army who fell on the field of battle and are buried on their territory.

Both contracting parties bind themselves, after an understanding with the local authorities, to allow the erection of monuments on the graves, as well as to permit the exhumation and transport of bodies to their native country, according to the reduced tariffs, taking into consideration the legislative prescriptions of the country and the demands of public health.

The above prescriptions apply also to all graves and bodies of hostages, civil prisoners, interned persons, exiles, refugees and immigrants.

4. Both contracting parties agree to supply each other, reciprocally, the documents concerning the decease of the persons above mentioned, and to make known the number and the locality of the graves of persons who died and were buried without the establishment of their identity.

AMNESTY

ARTICLE 10.—1. Each of the contracting parties guarantees to the citizens of the other party complete amnesty for political crimes and offenses. By political crimes and offenses is understood acts directed against the organization or the safety of the State, as well as acts committed to the advantage of the other party.

2. The amnesty extends also to acts pursued by administrative procedure or outside the courts, as well as to infractions of regulations obligatory for war prisoners and interned persons, and in general for citizens of the other party.

3. The application of amnesty according to Clauses 1 and 2 of the present article involves the obligation not to begin new investigations, the annulment of pursuits already begun, and the non-execution of sentences already pronounced.

4. The withholding of the execution of sentences does not necessarily involve setting the accused at liberty; in case this is done, however, the persons concerned should be immediately surrendered to the authorities of their own State, together with all the requisite documents. If, however, a person should declare that he does not wish to return to his country, or if the authorities of his country should not agree to receive him, this person may be again deprived of liberty.

5. Persons who are under accusation or who

are being prosecuted, against whom preliminary proceedings are being taken, or who are on trial for common offenses, and also those undergoing sentence for such offenses, shall, at the demand of the State of which they are citizens, be surrendered immediately, together with all the documents in the case.

6. The amnesty foreseen in the present article extends to all the above-mentioned acts committed up to the moment of the ratification of the present treaty. The execution of death sentences for the acts mentioned shall be withheld from the moment of the signing of the present article.

MONUMENTS AND ARCHIVES

ARTICLE 11.—1. Russia and the Ukraine will restore to Poland the following objects removed to Russia or to the Ukraine from the territory of the Polish Republic since Jan. 1, 1772:

a. All war trophies (for instance, flags and standards, all military signs, guns, arms, regimental regalia, &c.), as well as trophies taken since 1792 from the Polish nation during its struggle for independence against Czarist Russia. The Polish-Russian-Ukrainian war of 1918-1921 is not subject to such restitution;

b. Libraries, collections of books, archaeological collections, archives, works of art, relics, as well as all kinds of collections and objects of historic, national, artistic, archaeological, scientific or general cultural value.

The collections and objects described under letters a and b in this article are subject to restitution without regard to the conditions under which they were removed or the prescriptions of the authorities of that period, and without regard to what legal or personal holder they belonged originally, or after removal.

2. The obligation of restitution does not extend to:

a. Objects removed from territory situated to the east of the Polish frontier determined by the present treaty, in so far as it is proved that these objects are the product of White-Ruthenian or Ukrainian culture, and that they were brought to Poland not by voluntary transaction or by inheritance;

b. Objects which were brought to Russian or Ukrainian territory from their lawful owner through voluntary transactions or inheritance, or which were brought to the territory of Russia or the Ukraine by their lawful owner.

3. If collections and objects of the category mentioned under letters c and b in Clause 1 of the present article, brought from Russia or the Ukraine in this same period, are found in Poland, they are subject to restitution to Russia and the Ukraine on the principle mentioned in Clauses 1 and 2 of the present article.

4. Russia and the Ukraine will restore to Poland the following objects taken from the territory of the Republic of Poland since Jan. 1, 1772, and connected with the territory of the Republic of Poland: The archives, records, materials pertaining to the archives, acts, documents, registers, maps, plans and drawings, as well as plates and clichés, sealing stamps and seals, &c., of all State offices and institutions, self-governing, social and clerical.

Those of the objects above denominated, however, which, although not connected as a whole with the territory of the present Republic of Poland, cannot be divided, will be returned to Poland in their entirety.

5. Russia and the Ukraine assign the following objects dating from the period between Jan. 1, 1772, to Nov. 9, 1918, during Russian rule over territories which form part of the Republic of Poland: Archives, records, materials pertaining to archives, acts, documents, registers, maps, plans and drawings of legislative institutions, central, provincial and local organs of all Ministries, offices and administrations, as well as self-governing bodies, social and public institutions, in so far as the objects denominated above have connection with the territory of the present Republic of Poland and are in reality on Russian or Ukrainian territory.

Should the objects denominated in this clause, and which have connection with territories remaining with Russia or the Ukraine, be found in Poland, Poland undertakes the obligation to assign them to Russia or to the Ukraine on these same principles.

6. The decisions of Clause 5 of the present article do not extend to:

a. Archives, records, &c., having connection with the struggles of the former Czarist authorities with the revolutionary movements in Poland after the year 1876 up to the time of the conclusion of a special agreement between both parties on their restitution to Poland;

b. Objects representing military secrets and having connection with the period after the year 1870.

7. Both contracting parties, agreeing that the systematized, scientifically elaborated and complete collection forming the basis of a collection of universal cultural importance, should not be subject to destruction, decide the following: If the removal of any object whatever, subject, on the principle of Clause 1 of the present article, to restitution of Poland, may destroy the value of the collection as a whole, the said object, except in case of its close connection with the history or the culture of Poland, shall remain in its place with the agreement of both parties of the mixed commission foreseen in Clause 15 of the present article, in exchange for another object of equal scientific or artistic value.

8. Both contracting parties declare their readiness to conclude special agreements concerning the restitution, the redemption or the exchange of articles of the categories denominated in Clause 1 b of the present article, in cases when these objects passed to the territory of the other party through voluntary transaction or inheritance, in so far as these objects represent cultural acquisitions of the interested party.

9. Russia and the Ukraine undertake to restore to Poland the following objects forcibly or voluntarily removed to Russia or the Ukraine from the territory of the Polish Republic since Aug. 1 (new style), 1914—that is, from the beginning of the World War—to Oct. 1 (new style), 1915, and belonging to the State or its institutions, self-governing bodies, social or public institutions, and in general to all legal and physical holders:

a. Archives of every kind, records, acts, documents, registers, account and commercial books, writings and correspondence, surveying and measuring instruments, plates and clichés, sealing stamps, maps, plans and drawings, with sketches and measurements of the same, with the exception of objects having at present the character of military secrets, which belonged to military institutions;

b. Libraries, archival and artistic collections, with their inventories, catalogues and bibliographical material; works of art, relics and all collections of articles of a historical, national, scientific, artistic or in general of a cultural character; bells and all objects of religious cult of all confessions.

c. Scientific and school laboratories, cabinets and collections, scientific and school accessories, instruments and apparatus and also all auxiliary and experimental material of the same character.

d. Objects subject to restoration and mentioned in the present clause under letter c may be returned, not necessarily *in natura*, but in the form of a proper equivalent, determined with the agreement of both parties in the mixed commission provided for in Clause 15 of the present article. Objects dating from before 1870 or donated by Poles may be returned, not necessarily *in natura*, but in the form of a proper equivalent, solely with the agreement of both parties of the above-mentioned mixed commission.

10. Both contracting parties undertake the obligation reciprocally to restore on the same principles the collections and objects mentioned in Clause 9 of the present article removed voluntarily or forcibly from the territory of the other party after Oct. 1 (new style), 1915.

11. Objects denominated in Clauses 9 and 10 of the present article not forming the property of the State or of State institutions shall, upon demand of the Governments based on the declarations of the owners, be returned for the purpose of their restoration to the owners.

12. Objects denominated in Clauses 9 and 10 of the present article are subject to restitution in so far as they are *de facto*, or prove to be under the administration of governmental or social institutions of the State making the restitution. The obligation of proving that an object was destroyed or lost is incumbent on the State making the restitution. If the objects denominated in Clauses 9 and 10 of the present article are in the possession of third persons, whether physical or legal holders, they shall be taken from them for the purpose of restoral.

Also, at the request of the owner, objects denominated in Clauses 9 and 10 of the present article and in his possession, shall be formally restored.

13. Costs in connection with the return and restitution will be borne by the State making the restitution within the limits of its own territory to the frontiers of the State. Restitution shall be executed without regard to prohibitions or restrictions of export and shall not be subject to any taxes or payments.

14. Each of the contracting parties undertakes to surrender to the second party the cultural or

artistic possessions donated or bequeathed up to Oct. 7 (new style), 1917, by the citizens or institutions of the other party to its State or to its social, scientific or artistic institutions in so far as these donations or bequests were accomplished according to the obligatory statutes of the State in question.

Both contracting parties reserve the right to conclude special agreements in the matter of the above-mentioned donations and bequests made after Nov. 7 (new style), 1917.

15. For the execution of the decisions of the present article there shall be formed not later than within six weeks from the ratification of the present treaty a special mixed commission on the principle of equality, with headquarters in Moscow, composed of three representatives of each party and the indispensable experts. This commission will direct its activities according to instructions forming Affix 3 to the present treaty.

STATE PROPERTY

ARTICLE 12. Both contracting parties recognize that State property of every kind on the territory of the one or the other of the contracting States, or subject to restitution to that State on the basis of the present treaty, forms its indisputable property. By State property is understood every kind of property and property rights of the State itself as well as of State institutions; property and property rights of appanage, cabinets, palaces, all kinds of property and property rights of the former Russian Empire and of members of the former Imperial family, and all kinds of property and property rights donated by Russian Emperors.

Both contracting parties renounce, reciprocally, all claims arising from the division of State property, in so far as the present treaty does not make a different decision. To the Polish Government pass all rights and claims of the Russian Treasury against all kinds of property within the frontiers of Poland, and all claims against physical and legal holders if these rights and claims are subject to execution on Polish territory, and in this connection only to the amount not offset by the reciprocal claims of the debtors based on Clause 2 of Article 17, to be settled in the clearing of accounts. The documents and acts confirming the rights indicated in this article are transferred by the Russian Government, in so far as they are really in its possession, to the Polish Government. In case of the impossibility of executing this provision within the term of one year from the day of ratification of the present treaty, these documents and acts will be recognized as lost.

GOLD

ARTICLE 13.—In view of the active participation of the territories of the Republic of Poland in the economic life of the former Russian Empire, as recognized by the preliminary peace agreement of Oct. 12, 1920, Russia and the Ukraine pledge themselves to pay to Poland 30,000,000 gold rubles in coin or ingots, not later than within one year from the time of ratification of the present treaty.



THE BLACK LINE RUNNING FROM LATVIA SOUTHWARD TO RUMANIA IS THE NEW BOUNDARY BETWEEN POLAND AND RUSSIA AS DETERMINED BY THE TREATY OF RIGA

ARTICLE 14.—The re-evacuation* of State railway property from Russia and the Ukraine to Poland will be executed according to the following principles:

a. Railway rolling stock of the general European gauge is to be returned to Poland *in natura*, in the quantity and on the conditions indicated in Annex 4 to the present treaty.

*The terms "evacuation" and "re-evacuation" are employed in the original document in the sense of "removal" and "restitution," according to the practice which arose during the war.

b. Broad gauge railway rolling stock, as well as railway rolling stock of the general European gauge, altered to broad gauge in Russia and the Ukraine up to the day of the signing of the peace treaty, remains in Russia and the Ukraine, in the quantity and on the conditions indicated in Annex 4 to the present treaty.

c. Other property besides railway rolling stock will be in part returned to Poland *in natura*, and in part will remain in Russia and in the Ukraine, in the quantity and on the conditions indicated in Annex 4 to the present treaty. The value of the railway property indicated under

the letters a, b and c of the present article, is fixed by the contracting parties at the sum of 29,000,000 rubles in gold.

2. Both contracting parties undertake reciprocally to return to each other, on the general principles laid down in Article 15 of the present treaty, all State river property (boats, mechanisms, technical apparatus, landing facilities and other river transport property); also, the property of road administration, in so far as the property falling under these two classifications is at present, or will be, under the administration of government or social institutions of the State making the restitution.

The bringing into force of the decisions of the present clause and the decision of all matters connected therewith, is placed in the hands of the Mixed Commission of Re-evacuation provided for in Article 15 of the present treaty.

RE-EVACUATION OF PRIVATE PROPERTY

ARTICLE 15.—1. Russia and the Ukraine bind themselves, at the demand of the Polish Government, and on the basis of the owners' declaration, to re-evacuate to Poland, for the purpose of its restitution to the said owners, the property of self-governing bodies, institutions, and physical and legal persons, which was voluntarily or forcibly removed from the territory of the Republic of Poland to Russia and the Ukraine, after Aug. 1, 1914—that is, from the beginning of the World War—up to Oct. 1 1915.

2. Both contracting parties undertake the obligation reciprocally to re-evacuate, at the desire of the Government of the other party, and on the basis of the declaration of the owners, the property of all self-governing bodies, institutions, and physical and legal persons, on the territory of the other party, voluntarily or forcibly evacuated after Oct. 1, 1915.

3. The property specified in Clauses 1 and 2 of the present article is subject to re-evacuation, in so far as it is at present, or will prove to be, under the administration of governmental or social institutions of the State making the restitution. The obligation of proving that an object has suffered damage or has been lost, is incumbent on the State making the restitution.

In so far as the property specified in Clauses 1 and 2 of the present article represents a means of production, and was formerly under the administration of Government or social institutions of the State making the restitution, but was later destroyed or lost as a result of circumstances beyond control (*vis major*), the Government of the State making the restitution is under the obligation to give a proper equivalent for these objects.

If the property indicated in Clauses 1 and 2 of the present article is in the possession of third persons, whether physical or legal, it shall be taken from them for the purpose of re-evacuation.

Property indicated in Clauses 1 and 2 of the present article and now in the possession of the owner, shall also, at his demand, be formally re-evacuated.

4. Property subject to re-evacuation on the

principle of Clauses 1, 2 and 3 of the present article, with the agreement of the parties interested, may be returned not necessarily *in natura*, but in the form of a proper equivalent.

5. A complete reciprocal settlement of accounts arising from legal titles connected with evacuated property, shall take place within 18 months from the day of the ratification of the present treaty, between the owners of the re-evacuated property and the Government making the restitution.

This settlement shall comprise, on the one hand, the subsidies, loans and open credits granted for evacuation, with the exception of credits covered by securities, and, on the other hand, the expenditures connected with evacuation, including dues for raw materials, semi-manufactures, goods and capital taken by the State making the restitution; in this settlement will also be included compensation for the partial or complete wearing out by use, in the process of production, of property subject to re-evacuation.

The Governments of the contracting parties guarantee payments based on the above-named settlement. This settlement must not put a stop to re-evacuation.

6. The costs of re-evacuation within the limits of its own territory, up to the frontier, shall be borne by the State making the restitution.

The re-evacuation of property shall be executed without regard to the prohibition or the restriction of export, and shall not be subject to any taxes or payments.

7. For the purpose of bringing into force the decisions of the present article, a mixed commission shall be formed, not later than six weeks from the ratification of the present treaty; this body will be based on the principle of equality, and will be composed of five representatives and the indispensable experts of both parties; its headquarters will be in Moscow. The duty of this commission will be especially the fixing of equivalents in cases foreseen in Clauses 3 and 4 of the present article; the fixing of the principles of the settlement of accounts between owners and the Governments of the other party, and of measures of supervision to insure its proper execution; the elucidation in cases of doubt, of the status of legal and physical persons as regards their relation to the State, as well as of problems arising from the necessity of co-operating with the proper Government organs in the search for property subject to re-evacuation.

As proof of the accomplishment of the evacuation, not only evacuation orders are admitted, but also all other documents and proofs by witnesses.

Both contracting parties undertake the obligation to co-operate fully and in every way with the above mentioned mixed commission in the fulfillment of its duties.

Property belonging to physical and legal persons of the other contracting party shall not be subject to re-evacuation.

Those stock companies in which the majority of the shares represented at the last general assembly of the shareholders preceding the

evacuation from Poland to Russia belonged to Russian, Ukrainian or White-Ruthenian citizens, shall be considered as Russian, Ukrainian and White-Ruthenian.

Those companies (stock companies or otherwise), in which the majority of the shares represented at the last general assembly of shareholders preceding the evacuation from Russia and the Ukraine to Poland belonged to Polish citizens, shall be considered as Polish.

The State appurtenance of shareholders to one of the parties shall be defined on the basis of the present treaty.

Poland undertakes the responsibility for all claims of other States on Russia and the Ukraine, which may be made on account of the re-evacuation to Poland of property belonging to citizens or legal persons of these States, while Russia and the Ukraine on this basis both reserve to themselves, with respect to Poland, the right of recovery.

8. All demands for the re-evacuation of property shall be made to the Mixed Commission within the period of one year from the day of the ratification of the present treaty; after the lapse of this period, no demand will be accepted by the State making the restitution. The decision of the mixed commission is to be given within three months from the day of the reception of the demand. The re-evacuation of property is to be accomplished within six months following the decision of the mixed commission. The lapse of this period does not liberate the State making the restitution from the duty of re-evacuating property which has been demanded within the proper period.

CAPITAL AND FUNDS

ARTICLE 16-1. Russia and the Ukraine undertake to effect with Poland a settlement of those accounts which arose from funds and special capital bequeathed or donated to Polish citizens or legal associations, and which, by virtue of binding regulations, were held in the Russian State Treasury, or in credit institutions of the former Russian Empire, as deposits or accounts.

2. Russia and the Ukraine further undertake to effect a settlement of accounts with Poland on the basis of the capital of Polish public institutions, which, by virtue of binding regulations, was held in the Russian State Treasury, or in credit institutions of the former Russian Empire, as deposits or accounts.

3. Russia and the Ukraine further undertake to effect with Poland a settlement of accounts with reference to property and capital of Polish origin which came under the administration of the Russian Government, and were either liquidated or confounded with Treasury funds, and which belonged to social, cultural, religious and philanthropic institutions and associations, as well as in reference to property and capital which were destined for the maintenance of churches and the clergy.

4. Russia and the Ukraine further undertake to effect with Poland a settlement with reference to special capital and funds, as well as with reference to general State capital destined for purposes of social work, which were under

the control of special administrations and were connected, according to their origin and destination, either in whole or in part, with territory or citizens of the Polish Republic.

5. The period for the fixing of the clearing balances foreseen in Clauses 1, 2, 3 and 4 of the present article, is agreed upon by both contracting parties as Jan. 1, 1916.

6. As a basis for proceeding with the settlement of accounts referring to capital connected with the accounts of the State Treasury, a previous liquidation of these accounts shall be effected. The sums assigned from the Treasury for the support of capital will not be considered as a debt of capital toward the Treasury.

Russia and the Ukraine undertake, in effecting the settlement of accounts foreseen in Clauses 1, 2, 3 and 4 of the present article, to assign to Poland the appropriate property, capital, and balance in cash.

7. Russia and the Ukraine undertake to effect the settlement of accounts referring to capital and funds which were in the Treasury as deposits, or in State or private credit institutions of the former Russian Empire, as investments, taking under consideration, to the advantage of Poland, the loss of part of the purchasing power of Russian paper money units in the period from Oct. 1, 1915, to the day when the settlement of accounts is completed.

In effecting, however, the settlement of accounts with reference to special capital and funds which were under the control of separate administrations and confounded with the Treasury accounts of the former Russian Empire, changes in the value of monetary units shall not be taken into consideration.

8. In effecting the final settlement of accounts referring to special capital, funds and property, all movable property will be returned to Poland in so far as it is under the administration of the Governments of Russia and the Ukraine. In cases where property has been liquidated by them, it will be returned in the form of a proper equivalent. This does not apply to Russian securities.

9. The above settlement will be effected by the Mixed Account-Settlement Commission foreseen in Article 18.

LEGAL CONDITION OF INDIVIDUAL CITIZENS

ARTICLE 17-1. Russia and the Ukraine undertake to effect with Poland the settlement of accounts referring to Polish investments, or to deposits and securities belonging to Polish nationals or legal associations, in Russian and Ukrainian State credit institutions, nationalized or liquidated, as well as in State institutions and treasuries.

In paying sums due on the basis of the present clause, Russia and the Ukraine assign to Polish nationals and legal associations, all the rights that were formerly assigned to Russian and Ukrainian nationals and legal associations.

In effecting the above-mentioned settlements, Russia and the Ukraine will take under consideration, to the advantage of Polish nationals, the loss of part of the purchasing power of Russian monetary units from Oct. 1, 1915, to the

day when the settlement of the accounts is completed.

2. The decision on matters concerning the regulation of conditions of private right between nationals and legal associations of the two contracting States, and also the decision on matters concerning the regulation of claims of such nationals and legal associations on the Government and State institutions of the other party, and, reciprocally, which are based on legal titles—in so far as these questions are not decided by the present treaty—is placed in the hands of the Mixed Account-Settlement Commission provided for in Article 18 of the present treaty. The present clause concerns legal conditions which arose up to the day of the signing of the Peace Treaty.

ACCOUNT-SETTLEMENT COMMISSION

ARTICLE 18—1. For the purpose of effecting the settlement of accounts foreseen in Articles 14, 15, 16 and 17 of the present treaty, and fixing the principles of these settlements in cases unforeseen by the present treaty, and also for the purpose of fixing the amount, manner and time of payments due in consequence of neglected accounts, within six weeks from the day of the ratification of the present treaty, a Mixed Account-Settlement Commission will be formed, composed of five representatives of each party and the indispensable number of experts, with headquarters in Warsaw.

2. Oct. 1 (New Style), 1915, is accepted as the date on which all settlements are to be accounted for, in so far as the present treaty does not decide otherwise.

3. All settlements of accounts for material values shall be effected in Russian gold rubles; in other cases, settlement will be made in conformity with the principles foreseen in Articles 14, 16 and 17 of the present treaty.

RUSSIAN DEBTS

ARTICLE 19—Russia and the Ukraine free Poland from responsibility for debts and for all other kinds of obligations of the former Russian Empire, including obligations proceeding from the issue of paper money, treasury-bills, obligations, promissory notes, serial issues, Russian treasury bonds, from guarantees accorded to all institutions and enterprises, as well as from the guarantee debts of the same, &c.

COMPENSATION

ARTICLE 20—Russia and the Ukraine undertake to accord to Poland, her citizens and legal associations, automatically and without any special agreement, on the basis of the principle of the most favored nation, all the rights, privileges and concessions accorded or to be accorded directly or indirectly by them to any other State, its citizens and legal associations, in respect to the restitution of property and compensation for losses during the period of the revolution and civil war in Russia and the Ukraine.

In the cases provided above, Russia and the Ukraine will recognize the binding power not only of original documents confirming the prop-

erty rights of Polish nationals and legal associations, but also those documents which will be issued by the mixed commission provided for in Articles 15 and 18 of the present treaty.

FURTHER AGREEMENTS

ARTICLE 21—Both contracting parties undertake, not later than within six weeks from the day of the ratification of the present treaty, to begin negotiations on the question of a commercial agreement, and an agreement concerning the exchange of goods on the basis of compensation (i. e., barter); also to begin, as soon as possible, negotiations concerning the conclusion of a consular, post and telegraph, railway, sanitary and veterinary convention, as well as a convention concerning the improvement of navigation conditions on the Dnieper-Vistula and the Dnieper-Dwina waterways.

TRANSIT OF GOODS

ARTICLE 22—1. Up to the time of the conclusion of the commercial agreement and the railway convention, both contracting parties undertake the obligation to permit the transit of goods on the conditions provided for below. The principles of the present article shall form the basis of the future commercial agreement in the parts concerning transit.

2. Both contracting parties accord to each other, reciprocally, the free transit of goods on all railways and waterways open to transit. The transport of transit goods will take place in accordance with the prescriptions determined in each of the contracting States for traffic on railways and waterways, and taking into consideration transport facilities and the needs of interior traffic.

3. By free transit of goods, both contracting parties understand that goods transported from Russia or the Ukraine, or to Russia or the Ukraine through Poland, as well as from Poland or to Poland through Russia or the Ukraine, shall not be subject to any transit duties or any other payments arising from transit, whether these goods pass straight through the territory of one of the contracting parties, or are unloaded on the way, stored for a time in warehouses, and reloaded for further transport, on condition that these operations are carried out in warehouses under the supervision of the customs authorities of the country through which the goods are passing.

4. Poland reserves to herself liberty in the regulation of the conditions of transit for goods of German and Austrian origin, imported from Germany and Austria through Poland to Russia and the Ukraine.

The transit of arms, military equipment and objects, is prohibited. The restriction does not extend to objects which, although military, are not intended for military purposes. For the transit of such objects, the declaration that they will not be used as military material will be demanded of the respective Governments.

Restrictions are also permitted in connection with goods to which, for the protection of the public health, and the prevention of the spreading of epizootic and plan epidemics, may be applied exceptional prohibitive measures.

5. Goods imported from other States in transit through the territory of one of the contracting parties to the territory of the other party, shall not be subject to other or higher payments than those which might be levied on such goods coming straight from their country of origin.

6. Freights, tariffs and other payments for the transport of goods by transit shall not be higher than those which are levied for the transport of such goods in interior communication on the same line and in the same direction.

As long as freights, tariffs and other payments are not levied for the interior transport of goods in Russia and the Ukraine, payments for the transport of goods from Poland and to Poland through Russia and the Ukraine may not be higher than the payments determined for the transport of goods by transit through the most-favored country.

7. In view of the necessity to provide proper equipment for frontier stations at connecting points of the railways of both of the contracting parties, there will be assigned temporarily, for transit traffic from Russia and the Ukraine through Poland, and the reverse, from Poland through Russia and the Ukraine, delivery stations at the sections Baranowicze-Minsk and Rowne-Szepetowka, namely, on the territory of White Ruthenia and the Ukraine; for the reception of goods coming from the west, the Minsk station (until a special station is prepared); and the station of Szepetowka (until the station of Krzywín is prepared), and on the territory of Poland for receiving goods coming from the east, the stations Stolbec and Zdobunowo.

The manner and conditions of transit traffic will be determined in the railway convention which is to be concluded by both contracting parties immediately after the ratification of the present treaty.

The contracting parties will also take the proper steps for the speediest possible adaptation of other directions to transit traffic, providing the connecting points of the railways are determined by a special agreement.

The delivering points from other States on the frontiers of both parties for transit traffic will be all frontier stations which are, or will be, open for international communication.

For the loading of transit goods arriving or

departing by water, there will be opened a transfer depot in the town of Pinsk or on the Prypec siding, and at this point there will be constructed a railway line to the wharf for the purpose of placing the cars for loading.

TERRITORIAL CLAUSE

ARTICLE 23—Russia and the Ukraine declare that all obligations undertaken by them toward Poland, as well as the rights they have acquired by the present treaty, apply to all the territories situated to the east of the State frontier defined in Article 2 of the present treaty, and formerly part of the Russian Empire; these territories, by the conclusion of the present treaty, are represented by Russia and the Ukraine.

In particular, all the rights and obligations above specified extend to White Ruthenia and to its citizens.

DIPLOMATIC RELATIONS

ARTICLE 24—Diplomatic relations between the contracting parties shall be inaugurated immediately after the ratification of the present treaty.

ARTICLE 25—[In all copies of the treaty received in the United States to the time when these pages went to press no Article 25 appeared.]

RATIFICATION

ARTICLE 26—The present treaty is subject to ratification, and shall come into force from the moment of the exchange of the documents of ratification, in so far as the treaty or its annexes do not contain other dispositions. The exchange of the documents of ratification shall take place in Minsk within the period of forty-five days from the day of the signing of the present treaty. In every instance, in the present treaty or its annexes, where the moment of ratification on the Peace Treaty is mentioned as a period of time, the moment of the exchange of the documents of ratification is understood.

IN FAITH WHEREOF the plenipotentiaries of both contracting parties have signed *m. p.* the present treaty, and affixed thereto their seals.

Done and signed in Riga, March 18, 1921.

WHAT POLAND GAINED FROM RUSSIA

BY the signing of peace with Soviet Russia on March 18, Poland obtained a sorely needed guarantee for her future tranquillity and progress. By the terms of that treaty she secured an increase of territory which delighted the Poles as much as it displeased the Russian factions now exiled from Russia. Under the boundary clauses of the treaty Poland obtains, over and above the Curzon line established by

the Peace Conference, fifteen counties of the Provinces of Volhynia, Grodno, Vilna and Minsk in their entirety, and also portions of eleven counties in the Provinces of Volhynia, Minsk, Vilna and Vitebsk. This means, in short words, that Russia loses about 140,000 square kilometers, or 87,000 square miles, of her national territory, which, as Alexander Kerensky, the former Premier of Russia, pointed out in Paris, is enough territory to make a whole country

in Europe. The Russian Nationalist leaders, headed by Kerensky, contend that of the 7,000,000 people who inhabit these regions, not more than 400,000, or about 6 per cent., are Poles, mostly of the land baron class, and that the rest of the population consists of White Russians, Lithuanians and Ukrainians. Kerensky and his faction, recently united in a Constituent Assembly in Paris, foresaw the forcible Polonization by these Polish landlords of all the districts taken over by the Warsaw Government. In contradiction to this M. Domb ski, the chief Polish delegate to Riga, declared after the signing of the treaty that it would be Poland's aim to give freedom and the exercise of all civic rights to the people of non-Polish stock to be incorporated with Poland under the Riga Treaty.

Unmoved by the prediction that these boundary terms would be a menace to the future peace of Europe, the Poles continued to exult over the increase of territory, and there were many evidences that the treaty had wrought a revulsion of feeling toward the Soviet Government, the fall of which in future would not be to Poland's advantage. Early after the signing at Riga, however, problems arose relating to the execution of certain provisions. Among other difficulties was that of bringing Poland's relations with Simon Petlura, the Ukrainian nationalistic leader, in line with those clauses of the treaty under which Poland, like Soviet Russia, pledged herself not to tolerate on her territory organizations hostile to the other party.

The Riga peace, it will be noted, was concluded not only between Poland and Soviet Russia, but also with the Soviet Ukrainian Government. Petlura, however, has established his own Ukrainian Government at Tarnov, and still possesses some 15,000 available troops to use against Soviet Russia whenever the time may seem to him propitious. The Polish Government has hitherto acknowledged the existence of Petlura's Government so far as to recognize passports issued by it, and has shown it in other ways a certain degree of unofficial courtesy. A diplomatic mission representing Petlura has for some time been resident

at Warsaw. This situation, however, is in no way compatible with the terms of the new treaty, and there is no doubt that the permanent Bolshevik representative who arrived in Warsaw in May will draw it to the attention of the Polish Government.

A decision on the final allocation of the Vilna territory still remained pending, since the new agreement was reached by the Poles and Lithuanians at the behest of the League of Nations to abandon the idea of a plebiscite, to which both parties were opposed, and to reach a settlement by means of direct negotiations. A Polish delegation left Warsaw for Brussels toward the end of April, empowered to negotiate with the representatives of Lithuania under the Presidency of Paul Hymans.

Poland's relations with Germany were somewhat improved, at least officially, by the signing on April 21 in Paris of the Germano-Polish Convention regulating communication between East Prussia and Germany on the one hand, and between Poland and the Free City of Danzig on the other. By this convention, communication by railway, telephone and telegraph was granted to Germany over intervening Polish territory, while Poland received similar facilities with Danzig over intervening German territory on the right bank of the Vistula. The nationals of both parties were furthermore empowered to move about within these areas without passport formalities, and German goods in transit were freed of all customs duties while crossing Polish territory.

The situation between Poland and Germany, however, became greatly strained in the first two weeks of May, owing to the insurrection of Polish residents in Upper Silesia which, under the recent plebiscite, decided in the main to adhere to Germany. This insurgent movement, which was caused by a false report that the Allies would disregard the plebiscite result where it was favorable to Poland, was led by Korfanty, a Polish agitator not recognized by the Polish Government, and proved so formidable that the interallied forces found themselves unable to cope with it. The whole situation in Upper Silesia will be found treated of elsewhere in these pages.

INTERNATIONAL CARTOONS OF CURRENT EVENTS

[American Cartoon]

GETTING THE LAST BOY OUT OF THE TRENCHES



—New York Evening Mail.

[American Cartoon]

OUR NEW PET



—© New York Tribune.

Let's call him Bingo—short for Bing goes our naval holiday!

[German Cartoon]

The Peace Governess in Geneva

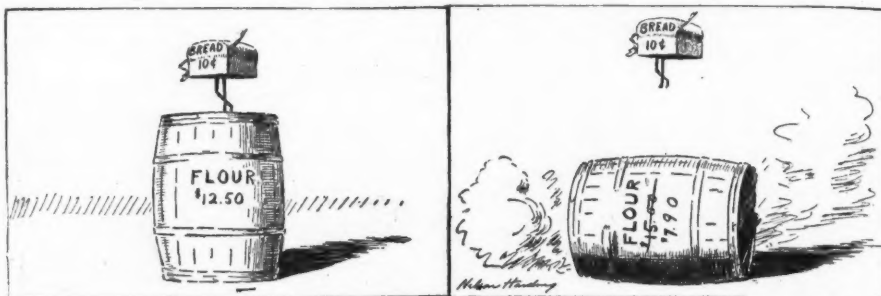


—Kladderadatsch, Berlin.

"Ah, how fine the times are since I began to look after the peace of the world!"

[American Cartoons]

Maybe Professor Einstein Can Understand This



—Brooklyn Eagle.

Why Business Doesn't Start

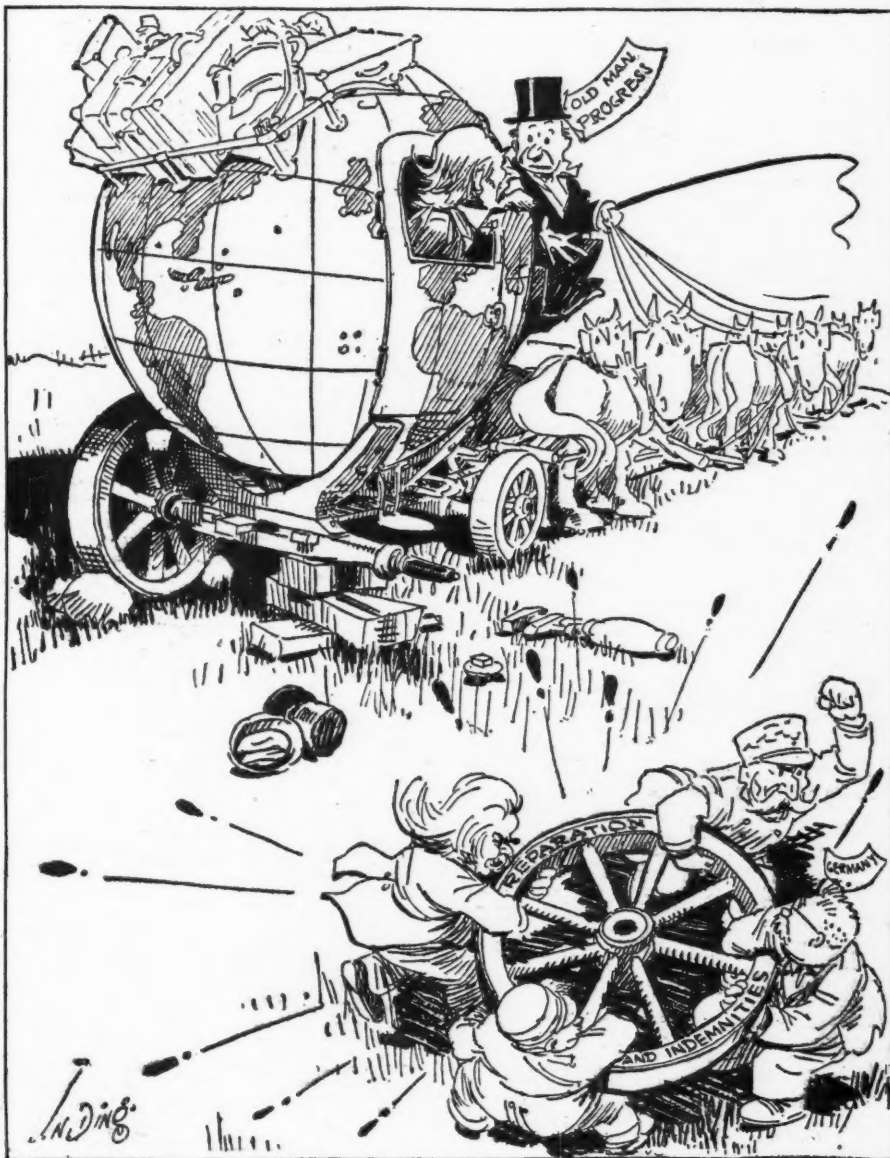


—Tacoma News-Tribune.

It will take some good strong cutting to get under way.

[American Cartoon]

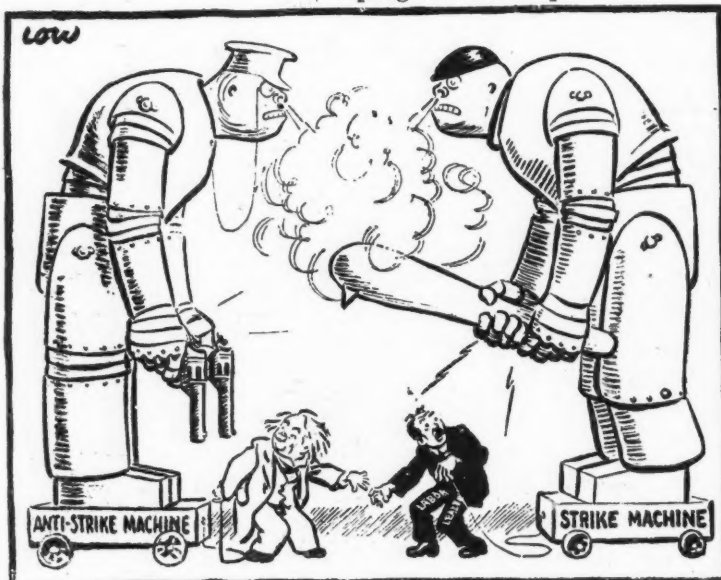
THE CAUSE OF THE DELAY



—© New York Tribune.

There's not much use whipping the horses till we get that wheel on.

[English Cartoon]



The Frightened Frankenstein's

—The Star, London.

[American Cartoon]

A Case for the S. P. C. A.



—New York Evening Mail.

Labor in a Hurry



—London Opinion.

THE PREMIER: "I dare say you'd like to wear my crown. But—we are not dead yet!"

[The handling of the British coal miners' strike is considered to have strengthened Lloyd George's Coalition Government.]

[American Cartoon]
A Tough Old Bird



—San Francisco Chronicle.

Not so easy as it looked at first.

[American Cartoon]
For How Long?



—Denver News-Times.

[Italian Cartoon]
Italy's Reds and Fascisti



—Il 420, Florence.

ITALIAN BOLSHIEVİK: "Help me, Giolitti, to break this egg" (the Fascisti).
GIOLITTI: "You caused it to be laid; now break it if you can."

[American Cartoon]
The Old Pre-War Spirit



—St. Joseph News-Press.

[American Cartoons]

A Delayed Concert



—New York Times.

"No use trying to play until those cats are quieted."

Neither to Be Coaxed Nor Driven



—San Francisco Chronicle.

How in the world will they get him in?

As Plain as Daylight



—New York World.

Perplexing to any one who believes in signs.

[American Cartoons]



The Pin Point on the Map

Japan has asserted its claim to the primacy of the East, and the ease with which it has controlled China has encouraged the Japanese Government to pursue that policy elsewhere in Eastern Asia. The firm insistence of the United States on our rights in the Island of Yap is the first serious opposition encountered by Japan.

To Have and to Hold

—Central Press Association.

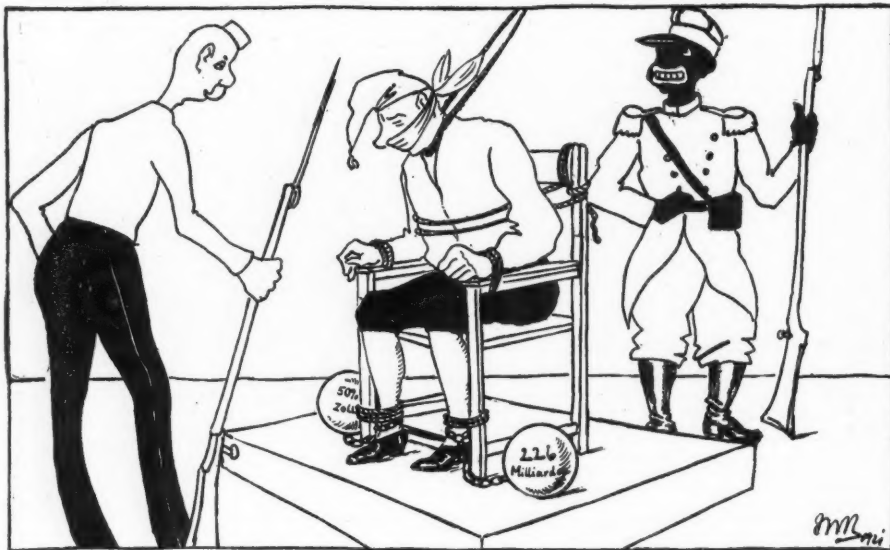
In the controversy between Japan and the United States the position taken by the former is that its possession of Yap is to be regarded as a fait accompli and not subject to revision. America, on the ground that "nothing is settled until it is settled right," does not accept this contention.



—Los Angeles Times.

[German-Swiss Cartoon]

London and the Sanctions



—Nebelspalter, Zurich.

GERMANY: "I would gladly work, pay and reconstruct—but I can't!"

[American Cartoon]



—Central Press Association.

"Pay Day!"

May 1 was the date set for Germany to carry out certain provisions of the peace treaty relative to disarmament and reparations. These provisions had been met inadequately, and the Allied Premiers gathered in London to deliberate on measures that would guarantee their fulfillment. Germany was then given till May 12 to accept without debate or reservation the terms finally laid down, in default of which acceptance the Ruhr district would be occupied and other measures taken to compel compliance.

[English Cartoon]

- A Hopeless Task



—Reynolds's Newspaper, London.

Charles tries—unaided and alone—
To place himself upon the throne,
But though he tries with all his might,
He hasn't yet succeeded quite!

The fiasco of Charles in his attempt to regain the Hungarian throne was complete. Had he succeeded, as did Constantine in Greece, there would have been a marked stimulus to monarchical hopes in Germany and other countries.

[Dutch Cartoon]

The Charles Fiasco

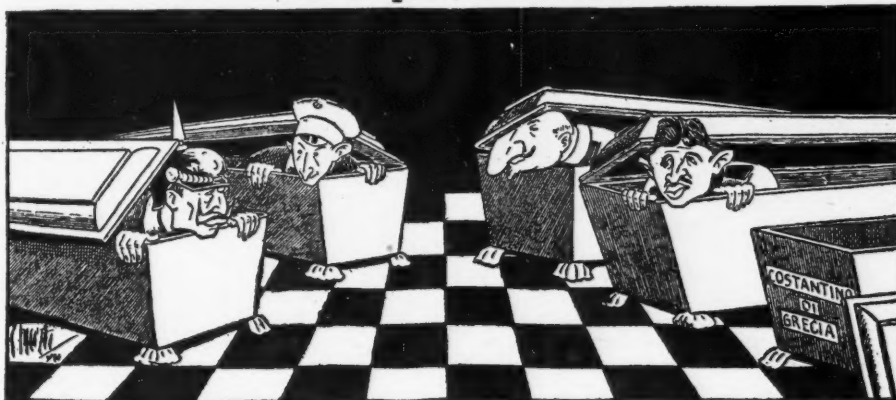


—De Notenkraker, Amsterdam.

REGENT HORTHY: "What does Charles want in Hungary? Aren't we doing well enough here ourselves?"

[Italian Cartoon]

The Hopes of the Dead



—Il 420, Florence.

Wilhelm: "Hope on, friends. If the people have called back that animal Constantine, it is possible that they will call back us idiots."

[American Cartoons]

The Wurst Has
"Came"

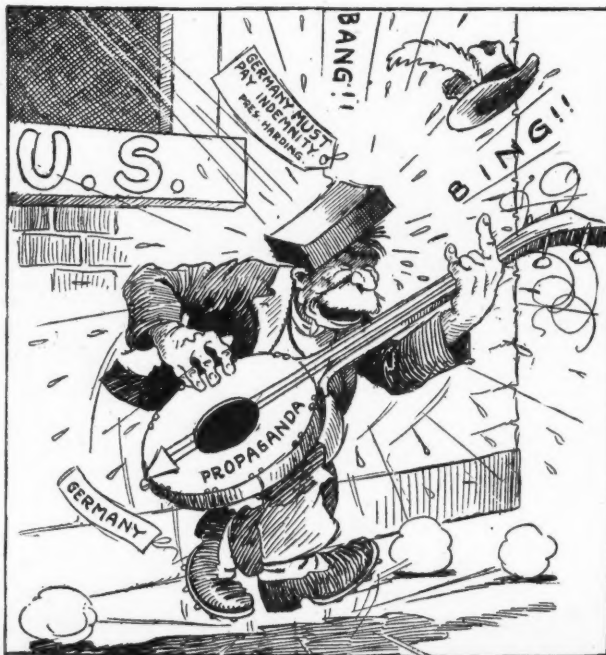
—San Francisco
Chronicle.

The fortune of the war she provoked having been a disastrous one for her, Germany is now undergoing the usual penalties visited upon the vanquished. Her colonies are gone, her coal mines in large measure are under allied control, her currency is depreciated, and her resources are mortgaged for a generation.

And He Thought
He Was Making
Such a Hit!

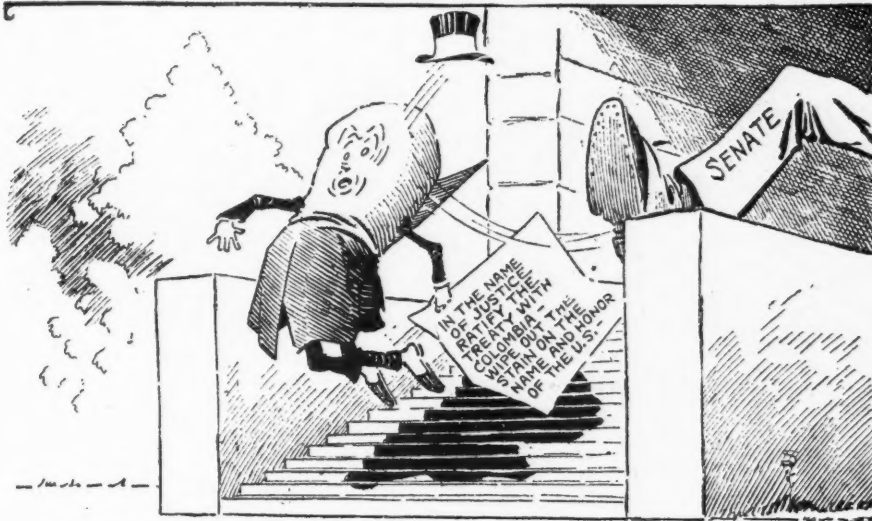
—Denver News-Times.

The hope of Germany that she might be able to secure the mediation of the United States in the matter of reparations was disappointed. Secretary Hughes informed the German Government that its proposals were not suitable for transmission to the Allies, and suggested that it make clear and adequate proposals directly to the latter.



[American Cartoon]

OIL IS THICKER THAN JUSTICE



SENATE ACTION—
1914-15-16-17-18-19-20—



—Dayton News.

Is it belated conscience or "practical" business that has prompted the \$25,000,000 award to Colombia?

[German Cartoon]

Yes, It's Just That Way Here, Too



—Kladderadatsch, Berlin.

This is a picture of "Price Reduction" as seen rushing through Germany.

ENGLAND'S STRUGGLE WITH COAL MINERS

The whole nation's industries and activities crippled by lack of fuel—Government's refusal to pool earnings of all mines results in deadlock and new threat of a general strike—Attempt of unions to stop all coal importations

[PERIOD ENDED MAY 15, 1921]

THE coal miners' strike, though for a time overshadowed by the German reparations problem, continued to be a very serious cause of worry for the Government and of discomfort for the public. As the month progressed, it was increasingly apparent that the trouble was far from settlement, and that the danger of a general strike was still imminent. Had it not been that Summer was approaching, the rapid diminishing of the coal supply might have produced a disaster; as it was, the Government felt compelled to order the further curtailment of train service, the rationing of fuel, and the mobilization of food supplies as precautions against the uncertainty of the future.

By April 21 the coal shortage had become so acute that the Great Eastern Railway Company suspended its entire suburban service on Sundays, while the train service on all railways on week days was greatly reduced. In many districts there was no coal left for domestic consumption, and no coal was being delivered to any house where a gas range was installed. In some districts twenty-eight pounds of coal a week was the maximum distributed to each household, and in some of the mining regions physical distress became evident. Importations of coal from foreign countries grew to such an unprecedented extent that actually sending coal to Newcastle became no commercial absurdity. On May 3 The London Gazette announced that the Secretary for Home Affairs had authorized setting the clocks forward two hours, instead of one, as at present, as a measure for coal conservation.

Somewhat singularly, gasoline, which is not generally supposed to be a friend of the horse, came to that animal's assistance by enabling the Government to permit certain race meetings, provided they involved no use of railroad facilities. Thus the New-

market meetings, thanks to the astonishing success with which they were served by automobile transport, had an attendance that broke all records.

On May 5, after six weeks of the strike, it was pointed out that in the manufacturing districts thousands of hard-working men were learning by bitter experience how interdependent are modern industries. Big works were idle because they could not get castings to go on with. Ships were held up because there were no exports to fill them. Factories were cutting down to two or three days a week, and then stopping altogether, because they were short of essential raw material. In London the slump in industry became evident when customers in the large department stores were informed that no further supplies of well-known everyday goods could be obtained because the factories could not get coal to keep going. For lack of coal the Royal Academy banquet and the first Court of the season were not held. Similarly, many social functions had to be dropped because of the consumption of coal they would have caused and the increasing difficulty of moving about either by rail or by other transport. Following the example of the King at Windsor, those who had a surplus of coal in their cellars shared it with their less fortunate neighbors. The effect of the strike on commerce began to make itself apparent in the large daily falling off in exports.

On April 26 the coal situation was again aggravated by the action of the National Union of Railwaymen in instructing its members not to handle coal from sidings or from overseas. Subsequently the union excluded coal for hospitals and some other public utilities from the embargo. After a conference on May 2 between Edo Fimmen, President of the International Transport Workers, and Robert Williams, general secretary of the transport workers, the latter

said that Mr. Fimmen had given every guarantee that the Dutch, French, Belgian, German and Austrian workers were determined to prevent the export of coal to Britain, and would cause an entire stoppage of work in their ports if attempts were made to ship coal to England.

An appeal to the whole labor movement to support the miners was issued on May 3 by the Joint Committee of the Parliamentary Labor Party, the National Labor Party Executive and the Parliamentary Committee of the Trades Union Congress.

For the Government, Premier Lloyd George, speaking at Maidstone on May 7, went into the economics of the situation to assert that miners' wages must depend on the profits of the industry. He attacked the principle of a national pool on the ground that it would put a premium on inefficiency and imply the employment of an army of inspectors. He declined emphatically to subsidize the industry at the expense of the taxpayers, and declared the miners' leaders were trying to starve the nation into submission. The Premier ended as follows:

I appeal here and now to the nation to endure with the stubborn courage which has piloted us through much worse troubles. What Britain will be tomorrow depends on its attitude today. If we surrender to threats of starvation, we may irretrievably damage the industries of the country. In this great conflict, where great national issues are involved, we have either got to end or endure. Our duty is to see that the country does not starve. The Government will do that, and in doing so we may want your assistance. The Government means to do its duty. I feel convinced that, when an appeal is made, you will do yours also.

With the decision of the National Transport Workers on May 10 to ban the handling of all foreign coal, the situation again became alarming. It was further aggravated on May 13, when a meeting of the Executive of the National Union of Railwaymen, called to consider the old Triple Alliance project of a general strike, passed a resolution forbidding its members to handle any foreign coal, whether for public utilities or not, and also forbidding them to handle "coal of any description which has been loaded or handled by black-leg labor." Later the Railwaymen's Executive conferred with the Transport Workers' Executive; the result of this was an appeal sent out to trade unions in other

countries not to assist in forwarding coal to England.

The Government promptly met the new challenge by announcing that it intended to import coal for carrying on services essential to the life of the country, and that it would take all necessary measures to that end. The degree of public sentiment supporting the Government in this attitude was indicated by the fact that, when these pages went to press, coal was being unloaded by volunteer labor from ships in all the chief ports, and some of it was being hauled by railway workers who dodged trouble by not asking questions as to the origin of the carloads.

In introducing the budget to the House of Commons on April 25, Austen Chamberlain announced a reduction of the national debt from £7,829,000 to £7,573,714, and a cutting of the foreign debt from £1,278,714,000 to £1,161,560,000. The debt to the United States had been reduced by nearly £75,000,000, which included half of the Anglo-French loan liquidation. Great Britain now owed the United States and Canada £826,000,000, but had paid off her debt in Japan, Argentina, Uruguay and Holland. The surplus of revenue over expenditure during the last year totaled £230,500,000. While the heavy income tax of 6 shillings in the pound remained, the excess profits duty was dropped as hampering trade, as were also the duties on imported cigars and sparkling wines as prohibitive, and therefore unremunerative. Mr. Chamberlain further announced a big debt conversion scheme by which holders of £632,000,000 5 per cent. national war bonds would be invited to exchange their holdings for participation in a new 3½ per cent. conversion loan, not redeemable until 1961.

An alarming increase in unemployment was reflected in figures given out by the Ministry of Labor on May 4. Excluding striking miners, the number of registered unemployed men was 1,865,682, and the half-time men and women, 1,074,682. Including an estimated 1,000,000 idle coal miners, the total of unemployed or half-time workers reached nearly 4,000,000. Speaking of disaster looming ahead from these figures, Secretary Cheesman of the National Union of Manufacturers said: "One of the most alarming features of the situation was the stoical calm with which the manufacturers faced the gradual paralysis of their work."

IRELAND AND THE HOME RULE PARLIAMENTS

Sinn Fein Sweeps Southern Ireland in the elections, naming 124 out of 128 members, but they will not take their seats—Ulster nominates 40 Unionists, 20 Sinn Feiners, 12 Nationalists and 5 Unionist Laborites—Warfare of reprisals continues

[PERIOD ENDED MAY 15, 1921]

SOUTHERN Ireland again registered its determination to stand by the Sinn Fein republic on May 13, when the primary elections were held for members of the new Parliaments of Ireland under the Home Rule act. Except for four imperialist candidates who were returned unopposed for Dublin University, not a single opponent was nominated against the Sinn Fein candidates, who, therefore, would be returned unopposed in the southern constituencies. These Sinn Feiners had announced that they would refuse the oath of allegiance to the Crown, and that therefore the new Parliament would never function. Thus it will devolve upon the Viceroy to nominate an executive on the lines of Crown colony administration, unless the Government should decide to recognize all the members elected in the North and South as a constituent assembly. More than half the members selected in the South are in jail and others have at some time been in prison.

The elections were the quietest ever known in Ireland. No polling was necessary, as, according to the British custom, when only one candidate is nominated, the polling is dispensed with. In this way the 128 seats in the Southern Parliament were filled, as the four imperialistic nominees, who were named for Dublin University, also were unopposed. Two of the latter, Thrift and Alton, are fellows of Trinity College, Dublin, while the other two are Sir James Craig of Trinity College and Gerald Fitzgibbon, member of the Irish bar.

Those elected include Eamon de Valera, for Clare; Michael Collins, Commander-in-Chief of the Irish Republican Army, for County Cork; Arthur Griffith, founder of the Sinn Fein; Alderman Cosgrave, and many other men prominently connected with the Sinn Fein movement.

Those elected in Cork city and county include Sean MacSwiney, brother of the late

Lord Mayor of Cork, who recently escaped from the Spike Island internment camp, and Mary MacSwiney, his sister, who is now in America. In Monaghan and Cavan, two Ulster counties which are included in the Southern Parliament, the Sinn Feiners won overwhelmingly.

For the Northern Parliament 77 candidates were nominated and the Unionists expected a majority of 12. In County Down, 6 Unionists, including Sir James Craig, Premier Designate of Ulster; 3 Sinn Feiners, including Eamon De Valera; 2 Nationalists, including Joseph Devlin, and one Labor candidate were nominated for the eight seats. De Valera had the remarkable number of 900 nomination papers, many of them signed by Catholic priests. His chief Unionist opponent was Sir James Craig. Devlin was nominated also for Antrim and West Belfast. Altogether there were 77 candidates, the parties being represented as follows: Unionists, 40; Sinn Feiners, 20; Nationalists, 12, and Unionist Laborites, 5.

This degree of co-operation of the warring factions had been made possible by a truce which had aroused new hopes of peace. An unexpected message, coming from Sinn Fein sources on May 5, stated that "President de Valera and Sir James Craig, Ulster Unionist leader, held an informal conference, in which their respective points of view were interchanged and the future of Ireland was discussed." This meeting was characterized as the most important political event in Ireland since Easter, 1916. The chiefs of the opposed parties had talked the Irish question over and made each other's point of view perfectly clear. Immediately after the meeting, both leaders remained uncommunicative, though Sir James Craig said that, whether good came of the meeting or not, the only safe course "was for Ulster to sweep the six counties at the polls, and it

was up to the opponents of the Ulsterites to use the same methods."

After Sir James Craig's return to Belfast it became clear that his interview with de Valera had mainly to do with the situation which would arise after the elections, and not with the existing situation. This implied that the elections for the Irish Parliaments were to proceed, and that the Ulster Parliament would come into existence. On May 6, after a meeting of the Ulster Party, Sir James Craig gave out the following statement:

My conversation with de Valera having taken place, and Ulster having already by acceptance of the provisions of the Government of Ireland act, and by her undertaking to work them, reached the limit of concession, no further discussion will be entered into. When the Parliaments have been established and the Council of Ireland has been constituted there will be the necessary constitutional link between Northern Ireland and Southern Ireland.

At a public meeting the same evening, however, Sir James Craig reiterated that neither he nor any other Ulster Loyalist would consent to a republic or any weakening of the ties between Ulster and Great Britain. "Nothing had been surrendered or would be surrendered," he declared in reference to his meeting with de Valera, "and the Sinn Fein knew it."

Mr. de Valera's attitude was stated thus in the *Irish Independent* of May 7:

We shall never cease to maintain that there is a community of interest between our countrymen of the northeastern corner of Ireland and our people of the south and west for all their misunderstandings and prejudices, artificially created for the most part. We believe that the men of Ulster, reft from us by statute but retained to us by higher laws, look upon Ireland as their country and in their hearts cherish the Irish name. In the eighteenth century Ulster felt profoundly her unity with the rest of Ireland. She will do so again. May that day be soon.

With considerably less of a sensation than might have been anticipated, the retirement of Sir Edward Carson from the leadership of the Ulster Unionist Party was announced on April 26. The reason given was ill health. Subsequently he was appointed a Lord of Appeal in succession to the late Lord Moulton.

In an impassioned address in the House of Commons on April 28 Sir Hamar Greenwood, Chief Secretary for Ireland, denounced the Irish Republican Army as

"murderers," and declared that deeds were being perpetrated which it was difficult to believe could be done by human hands. The Chief Secretary went on to instance the recent murder of fifteen Protestants as a deliberate plan "without rhyme or reason and under revolting circumstances," though it was not a case of Roman Catholics against Protestants. Further, documents had been captured showing that an offensive was being opened in Ulster to interfere with the coming elections by various methods of sabotage; and that Sinn Fein threats against newspaper men had become pronounced to the extent of compelling one of them to leave the country under the menace of death. On April 30 the Government made public the captured documents referred to, detailing the formation of military bodies, together with suggestions as to methods and objects of attacks on Ulster.

A proclamation was issued on April 30 by Augustin Stack, Minister for Home Affairs in the Irish Republican Parliament, declaring that while the Home Rule act was illegal as a foreign statute, it would be recognized for the elections in order to enable the people's will to be demonstrated again.

The nomination of Eamon de Valera as successor of the late Archbishop Walsh in the Chancellorship of the National University of Ireland was officially announced by the university on May 1. No opposition to his candidacy was anticipated. Mr. de Valera issued a manifesto to the Irish people on May 3 appealing to them to uphold the standard of the Irish Republic in the approaching elections. In declaring the Irish people were advancing steadily toward a final settlement of the controversy, he made use of a picturesque metaphor by way of a precautionary warning when he said: "Blossoms are not fruit, but the precursors of fruit. Do not pluck them." With regard to purely home affairs, however, Mr. de Valera seemed to tender a blossom to Ulster when he referred to provisions for such devolution in the administration of home affairs as to make for satisfaction and contentment.

Notwithstanding Government statements that a more pacific state of affairs existed, the number of outrages and reprisals continued with little, if any, abatement. On April 14 Dublin recalled a sensational theft

of the Irish Crown jewels several years ago on the news that Sir Arthur Vicars, former Ulster King of Arms, was shot to death at his Listowel residence. On a label pinned to the body was written: "Traitors, beware. We never forget. I. R. A." Sir Arthur Vicars was custodian of the Crown jewels at the time of their disappearance, and the fact that they were never recovered and that no one was found guilty of the theft created a great stir in both London and Dublin.

Another apparently similar incident occurred in the Scotstown district of Monaghan on the 17th, when Sinn Feiners killed Kitty MacCarron, the first woman executed for treachery. About midnight a party took her from her home, in a wild, mountainous part of the country, and in spite of her struggles and pleadings led her forth to death. The body was found with a bullet wound through her cheek, the customary sign of a Sinn Fein execution, and a card attached which bore the inscription:

"Spies and informers, beware. Tried, convicted and executed by the Irish Republican Army."

Executions on the other side took place at Dublin on April 25 and at Cork on April 28. Thomas Traynor, who was convicted by courtmartial for participation in a Dublin ambush on March 14, suffered the death penalty while a great crowd offered up prayers outside the Mountjoy Prison gates. A similar scene was witnessed in the roadway fronting the Cork military barracks when Patrick O'Sullivan, Maurice Moore, Patrick Bonayne and Thomas Mulcahy fell before a firing squad for "making war against the British Crown." This made a total of eleven men executed in Cork during the last few months.

As the month of May advanced, the activities of the Sinn Feiners increased, until the deaths on both sides in the two week-end days at the middle of the month numbered at least thirty-three—an evil record mark.

CANADA AND OTHER DOMINIONS

Retaliatory duties against the United States proposed by Canada—Australia is determined to keep American friendship—Egyptian Nationalists seeking a compromise

[PERIOD ENDED MAY 15, 1921]

THERE will be no general revision of the Canadian tariff at this time. Sir Henry Drayton, Minister of Finance, made that clear in presenting the budget in the House of Commons on May 9. Of total imports during the fiscal year of \$1,240,125,056, those from the United States, he said, aggregated \$856,592,470, or 69 per cent. of the whole. Temporary tariff legislation of the United States would place a barrier against Canadian exports to that country amounting to \$168,000,000. Sir Henry said of this:

Such or similar action made permanent, of necessity would require a careful and thorough revision of the Canadian tariff for the purpose of insuring the proper continuance of Canadian business, of insuring employment and Canadian stability. * * * Under the circumstances, having special regard to the fact that there ought not to be a general revision of the Canadian tariff now, and another after the close of the United States Congress, no action will now be taken.

Sir Henry announced the dropping of the business profits tax, the receipts from which in the last year were \$40,000,000. The few remaining luxury taxes are dropped. Confectionery—candies especially—will benefit from this. Duties will, however, be levied on playing cards; cards not exceeding \$24 a gross of 8 cents a pack, exceeding \$24 a gross 15 cents a pack. The excise duty of \$3 and the luxury tax of \$2 per gallon on imported spirituous liquors are abandoned and a straight customs duty of \$10 per gallon is to be collected. Spirits of Canadian manufacture will be subjected to an excise of \$9 a gallon in place of the \$4.40 duty and luxury tax previously imposed. On all except sparkling wines an excise tax of 30 cents a gallon will be collected. Champagne and other sparkling wines when taken from Canadian manufacturers but not exported will be subjected to an excise tax of \$3 per gallon and dis-

tilled spirits of \$9 per gallon. In the latter case provision is made for a rebate of 99 per cent. to hospitals and the like where spirits are actually used for medicinal purposes.

The anti-dumping clauses are strengthened by changes which in effect are designed to still further protect the home market against flooding by foreign-made goods at slaughter prices. In this connection new regulations are also provided relative to valuation for customs purposes of foreign currencies. The present practice is to convert the foreign depreciated currency into Canadian on the basis of existing exchange rates. Hereafter no reduction in excess of 50 per cent. of the standard or proclaimed value will be allowed. Where the rate of exchange is adverse to Canada the value for duty will be computed at the rate of exchange existing at the date of the shipment of the goods.

It is also provided that all goods imported into Canada capable of being "marked, stamped, or branded or labelled without injury, shall have indicated on them legibly in French or English the country of origin". This provision comes into force on September 1st next.

The tax on sales of manufacturers, wholesalers, jobbers and importers, is increased from one and two per cent. rates on domestic transactions to one and a half and three per cent. respectively, and the import rates from one and a half and three per cent. to two and a half and four per cent. The exemptions are foodstuffs in their natural state, initial sales of farm produce by the farmer himself, and the first products of fisheries, mines and forests. A two-dollar license fee will also be imposed on every manufacturer and business man affected by the sales and excise tax, all of which went into effect on May 10th.

The outlay for the current fiscal year is estimated at \$591,437,697. Of this, railway investments call for \$165,687,633, a large part of it accounted for by maturing capital obligations, which will be refunded. In cash payments for the year, it is estimated that \$435,360,971 will be made. For this, the estimated receipts under legislation prior to the budget is \$372,600,000, leaving \$62,760,971 to be met. The Finance Minister counts on the new taxes to fill this gap.

The country's debt amounts to \$2,350,236,700.00.

AUSTRALIA

Premier Hughes was defeated in the Australian Parliament on April 14 by an adverse majority of two, which, however, was purely accidental. In a plea to the members, he stated that the vote made his position impossible, and that he could not attend the coming British imperial conference unless there was a clear indication that the vote did not mean censure or an attempt to take the control of business out of the hands of the Government. He received an emphatic endorsement on April 20, when resolutions reiterating confidence in the Government and declaring in favor of Premier Hughes as Australia's representative at the imperial conference were passed by a vote of 46 to 23.

Debate on the Empire's foreign policy has occupied the attention of Parliament. Premier Hughes emphasized his belief that the British navy was the most powerful influence for the world's peace, and that the whole Empire should contribute to its maintenance. He favored a renewal of the Anglo-Japanese alliance in terms acceptable to America, saying: "We cannot in our efforts to secure the friendship of Japan make an enemy of America."

Mr. Tudor, leader of the Labor Party, preferred to spend money on the League of Nations to keep peace, rather than on a navy to prepare for war. The Labor Party's proposal to withhold approval from the Japanese treaty until it had been sanctioned by a referendum, was decisively rejected. Some members insisted that it should be unequivocally declared at the conference that Australia would not surrender on the question of "White Australia." The commonwealth has been steadily drifting away from any idea of a legislative union of the dominions with the United Kingdom, in this respect differing from both New Zealand and South Africa. In the Australian point of view, if such a proposal were made at the imperial conference it would disclose only the weakness of dominion support for it.

Final figures in the South Australia State elections show a sweeping victory for the Liberals. The result is interpreted as a severe check to the anti-empire tendencies

of the Labor Party, which has only sixteen members in a House of forty-six.

Premier Hughes was asked by a deputation of Anglican and non-conformist churches to try to persuade France to hand over to Great Britain the control of the New Hebrides, where joint rule, they said, was working most unsatisfactorily. Under the Anglo-French convention of 1906 the New Hebrides are administered jointly by British and French officials.

The Australian Government announced on May 9 that it had instituted a civil government in former German New Guinea, thus taking its first official action in connection with mandated territory. Australia's representation in the League of Nations to the end of the present fiscal year will approximately total \$340,000.

Anzac Day, the sixth anniversary of the landing of Australian and New Zealand soldiers in Gallipoli, was celebrated in both countries on April 25 by parades and religious services. Lieut. Gen. Aylmer Hunter-Weston telegraphed from Chanak, on the Dardanelles, that he had caused wreaths of wild flowers to be laid on the graves of those who fell on each of the main beaches in Gallipoli.

NEW ZEALAND

Mr. W. F. Massey, Premier of New Zealand, who is on his way to the imperial conference, in his farewell speech at Wellington, stated that he did not propose a legislative body for the empire, but one following the model of the War Cabinet, which, he maintains, was an imperial executive. He predicted that there would be another war; possibly it would not come for twenty years, but the time was coming when New Zealand would have to assist the imperial navy.

A decision rendered at Wellington on May 5 by the New Zealand Court of Appeals in a patent case was to the effect that the United States, not having assumed any obligations under the Versailles Treaty, could not claim for itself or its nationals any rights conferred by that treaty.

Co-operation is becoming general on the part of agriculturists in New Zealand. The farmers have their own department stores, from which they are supplied with nearly everything for their domestic needs as well as for their farms. There are sales yards

all over the country, which deal with the farmers' surplus live stock.

EGYPT AND THE NATIONALISTS

Both British and Egyptian statesmen are beginning to recognize that the policy of immediate independence of a country of 14,000,000 people, 92 per cent. of whom are illiterate, is, to say the least, dangerous. Even Lord Milner himself said a few years ago: "The withdrawal of Great Britain, if it is not to end in disaster, can only be a gradual process." Zaglul Pasha, the Nationalist leader, is becoming more amenable to the necessity of unity in the demands to be presented at the negotiations in London. He has had almost daily conferences with the Premier, Adly Pasha, with a view to recognizing their differences, which were to some extent a matter of precedence.

At a tea party given by students in Cairo on April 18, Zaglul Pasha made his first public statement, affirming that he was whole-heartedly ready to co-operate with Adly Pasha's Cabinet provided it would declare that negotiations were to be opened for the purpose of abolishing the protectorate and securing the internal and external independence of Egypt, and if the Milner proposal be made to conform to the Nationalist reservations.

These reservations were made to the acceptance of the draft agreement of Aug. 18, 1920, outlining the terms of a treaty between Egypt and Great Britain. The chief reservation is that Great Britain should expressly abolish the protectorate. Others concern the limitations of the functions of the financial adviser and of the British officials in the Ministry of Justice and the abandonment of the provision that the proposed treaty should not come into force until the régime of the capitulations had been modified so as to satisfy the interests of foreign powers.

Adly Pasha hopes to see Egypt free to control her own affairs while remaining the friend of England, with trade open to all nations on an equal footing; a democratic régime, education of the people, improvement of sanitation and carrying out of the Nile irrigation project. He hopes Egyptians will learn foreign methods and form organizations to handle cotton and other exports now chiefly in the hands of Greeks.

A decree was issued extending the activities of the mixed tribunals until Nov. 1. They were established in 1876, and have jurisdiction in civil matters between natives and foreigners and between foreigners in cases where matters in dispute relate to land in Egypt. As the United States failed to reply to the Government circular asking for the agreement of the capitulatory powers to the extension of the tribunals' existence the Sultan signed a decree specifically excepting the United States from the extension, and thus Americans in Egypt now are deprived of their legal rights other than consular. The United States Judgeship in the mixed appeal court has been vacant for several months, and there has been a diplomatic question between Washington and Cairo regarding the new appointment.

There is a general impression in Cairo that the worst of the business depression owing to the decline in cotton has passed and gradual improvement is expected. Another drawback to trade is lack of racial unity, Egypt being a five-language country. Most extended and most popular, of course, is Arabic. Next comes French, which is the commercial tongue. Italian is third, owing to the large Italian colony, which has grown so that the Banca di Roma in April organized the Banca di Levante, with a capital of £1,000,000 and head offices in Alexandria, forming an economic and business link with Egypt. Greek comes next and lastly English, even the British banks carrying on their correspondence and accounts in French.

SOUTH AFRICA

At the forthcoming meeting of the British Imperial Dominions in London in June South Africa will be represented by General Smuts, the Premier; Sir Thomas Smartt, head of the Unionist, or English-speaking, Party; Colonel Mentz, Minister of Defense, and Sir Roland Bourne, Secretary of Defense. They were expected to sail from

Cape Town on the new Union Castle Line steamship *Arundel Castle* on May 28. While in England General Smuts will conduct an inquiry into the Government contract for the conveyance of mails and produce from South Africa. Some of the party will remain over to attend the Assembly of the League of Nations in September.

The centennial of the landing of British settlers in Algoa Bay in 1820 was celebrated at Port Elizabeth and Grahamstown on April 9. In answer to an appeal from Lord Charles Somerset, Governor of the colony, Parliament voted £50,000 to send out emigrants and called for applications. No fewer than 90,000 were received, but only 3,500 were selected and shipped to South Africa. These were the settlers who made the Eastern Province a garden and replaced barbarism with civilization. Their descendants today number 150,000. Prince and Princess Arthur of Connaught attended the centennial celebration at Port Elizabeth, and General Smuts paid a tribute to the settlers and their descendants, who had been fused with the Dutch descendants in the crucible of suffering of the great war and now form the South African nation. Sir Charles Crewe, Chairman of the 1820 Memorial Settlers' Association, also spoke, referring to the need of more settlers. Already 275 farmers had agreed to take settler pupils and seventy-one such pupils had brought £186,450 fresh capital into the country. Sir N. F. De Waal, Administrator of the Cape Province, addressed the gathering at Grahamstown, appealing to South Africans to unite in bringing about the permanent fusion of the Dutch and British races.

That there is still considerable barbarism in settled parts of South Africa is shown by the fact that two native witch doctors were sentenced in April at Johannesburg to eighteen months in prison after pleading guilty to a charge of stealing the body of a European woman from a grave on the Swaziland border to make charms.

DEMOCRACY AND UNION IN THE BALTIC STATES

How the young nations wedged between Soviet Russia and Western Europe are struggling to build for their future prosperity in Democracy, and how the shadow of Red Russia is leading them toward union

[PERIOD ENDED MAY 15, 1921]

CENTRAL EUROPE has its Little Entente, based on the idea of mutual support and protection in case of aggression from without. One consequence of this political rapprochement has been, naturally, the establishment of closer commercial and economic relations. Will a similar association of even smaller and weaker States occur in the Baltic region, where mutual economic support and perhaps mutual protection against aggression seem even greater? Already these new States, but recently recognized de facto by the allied powers, have come together in council on several occasions to formulate a common policy, and there is no doubt that a mutual understanding is developing which may yet prove a solid foundation for the creation of a new Baltic Entente. Such is the belief of Dr. Voyt, the Latvian envoy to Germany, who on April 30 said in Berlin:

The Baltic States are seeking to form a closer union for mutual protection. The coming conference of Esthonia, Latvia and Lithuania will deal, above all, with the question of an economic union in these States. We hope the conference will lead to an entente cordiale among the Baltic nations.

Asked if this coming union was aimed against Soviet Russia, the Latvian envoy replied that if Russia sought to deal with the Baltic States as she had dealt with Georgia and the other nations of the Transcaucasus, the Baltic States would undoubtedly unite for resistance, as they would undoubtedly unite to aid the cause of Western culture if it should be again endangered by Bolshevik aggression.

ESTHONIA

One of the three Baltic States, Esthonia, has in the past months made considerable progress. Since the signing of peace with Soviet Russia trade has begun and the Esthonian ports of Reval and Narva have as-

sumed an unwonted activity. Three freight trains loaded with machinery and goods daily cross the border into Russia. Other trains coming daily from Russia are bringing back thousands of Esthonians to their homeland. The allurements of life in Bolshevik Russia have not been strong enough to hold them there. In Esthonia, at least, there is order, a semblance of democracy, a hope of existence, despite the difficulties under which this little country still labors. One of the greatest of these difficulties is the interruption of traffic and intercourse with the sister States, Latvia and Lithuania. So jealous of their independence are these new, small States that they have barred themselves off from one another with customs barriers which make free circulation impossible. Dr. John Finley, the American educator, now of the New York Times staff, during a recent visit to the Baltic, was especially struck by this, and referred to it while speaking with the Prime Minister of one of these infant republics. The latter retaliated by recalling that with a like population (all the Baltic States combined have a population no greater than that of New York City), the American colonies had interstate practices quite as absurd and vexatious. He added, however, that all three republics were learning, and much more swiftly than the American colonies, the lesson of experience; had begun to co-operate in economic matters, and were holding conferences of the utmost value in bringing the Baltic group together. The barriers, however, have not yet been permanently lowered, either by Esthonia or by her sister States.

LATVIA

But all these little States are "playing safe." Red Russia is vast and powerful, and friendship and open trade is the best

policy. The example of Esthonia has been followed by both Latvia and Lithuania, and all three have acted as Moscow's entrepot and intermediary in forwarding much needed commodities from abroad, even from far-off America. Politically, the Governments of Latvia and Lithuania have been greatly strengthened by the de facto recognition of the allied powers. The Latvian Government, under the able direction of Karl Ulmanis, the Premier, and of M. Meijerowitz, the Foreign Minister, is now bending all its efforts toward economic reconstruction; one step in this direction was the recent decision to give to all Latvian harbors the status of free ports. An interesting account of Latvia's Premier given by Dr. John Finley is quoted here:

It will be interesting to Americans, especially to those who have not the vaguest notion of what and where Latvia is, to know that this Prime Minister was a few years ago a student and then a teacher of agriculture in the University of Nebraska. On the walls of his official room in the castle at Riga, instead of the ducal arms, there hang side by side the emblem of the Latvian Republic and the pennant of the University of Nebraska. This man, of massive frame and with a head such as Rodin would have cut out of stone, had acquired a habit from his association with an eminent Nebraskan, for he had just returned with a husky voice from a tour of his country, which is not so difficult as "swinging around the circle" in America, for Latvia is not so large as Nebraska. He had made twenty-six speeches in all, speaking to 40,000 people, not on political, but economic and agricultural subjects, in an effort to bring greater areas under cultivation and so produce enough rye bread for all, instead of importing wheat flour, which he lamented when I spoke of white loaves and cake in the market. I have seen other Prime Ministers, Ministers of Foreign Affairs, Ministers of Education, university professors, editors and business men in these republics, and they have all something of the spirit and **hopefulness of our pioneers of the Middle West**, though lacking somewhat of their aggressive enterprise.

Both the Latvian Premier and Foreign Minister, according to the Temps political correspondent in Riga, are in favor of the union of the Baltic States for mutual protection against the danger of Sovietization.

One great satisfaction to the Latvian Government has been the fixing of the republic's hitherto vague and undefined boundaries. The frontiers with Esthonia were fixed by an agreement concluded on July

2, 1920, with Soviet Russia, by the peace treaty signed on Aug. 11, 1920, and with Lithuania, as the result of negotiation, on March 31, 1921. Polangen, a Lettish town on the Baltic, was given to Lithuania, as well as the contested territory of Mosch-eiki, an important branch of the Libau-Riga railway line. A railway agreement for five years was almost concluded. In exchange for these cessions, Latvia received approximately 28,000 hectares of forest land along the Courland frontier, representing a considerable value.

LITHUANIA

Lithuania was no less pleased by the fixing of her boundaries with Latvia. The cession of Polangen gave her an outlet on the Baltic which she urgently needed, and which it is by no means certain she will receive in the case of Memel, the fate of which port is still uncertain. Memel is at present garrisoned by French troops, pending the decision of the allied powers. The Lithuanian boundaries with Poland will depend on the decision reached by the respective delegations of Poland and Lithuania who opened their first session in Brussels, on April 21, under the Presidency of M. Paul Hymans, the Belgian statesman. A settlement by negotiation was agreed to by both parties at the urging of the Council of the League of Nations when it became apparent that both parties in dispute were averse to the holding of a plebiscite. The irregular Polish forces of General Zeligowski are still in occupation of Vilna by *force majeure*. A curious feature of life in Vilna under present conditions is that it has absolutely free trade with outside nations. The Lithuanian delegation at Brussels is headed by M. Galvandkas, the Polish delegation by Professor Askenasy.

FINLAND

The overshadowing event of the past month for Finland was the decision of the Commission appointed by the League of Nations to decide whether the Aland Islands should belong to Finland or Sweden in favor of Finland (given more in detail under the head of Scandinavia).

Though Finland's relations with the Soviet Government remained strained, the prospects of a renewal of negotiations for

the conclusion of a trade treaty were not unfavorable. (See the article on Russia.) That the general Finnish State policy would be maintained was assured by the reappointment of M. Holsti as Foreign Minister in the new Cabinet. The Ministerial crisis brought about by the efforts of the pro-German Finnish reactionaries to have M. Holsti overthrown was resolved around April 10. After the failure of M. Kallio, of the Agrarian Party, to form a Cabinet, Professor Vennola, a Progressive, was asked to undertake the task, in which he suc



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KARL ULMANIS

Premier of the Latvian Government, and one of the republic's most forceful personalities.



(© Keystone View Co.)

M. MEIJEROWITZ

Minister of Foreign Affairs in the Latvian Republic

ceeded. The new Government, which contains eight Progressives and four Agrarians, is made up as follows:

Prime Minister—Professor Vennola.
 Foreign Affairs—M. Holsti.
 Interior—M. Ritavuori.
 Justice—M. Helminen.
 Commerce—M. Makkonen.
 War—Colonel Hamalainen.
 Communications—M. Pullinen.
 Public Education—M. Liakka.
 Finance—M. Ryti.
 Social Affairs—M. Joukahainen.
 Agriculture—M. Kacio.
 Assistant of Agriculture—M. Niukkanen.



THE BALKANS AND EMANCIPATED CENTRAL EUROPE

New steps toward a closer union of Yugoslavia, Czechoslovakia and Rumania in their policy toward Austria and Hungary—Predominance of Italian influence in the Balkans—Rumania's demands for representation on the Straits Commission—Croatia's attitude

SINCE the ultimatum sent by Yugoslavia, Czechoslovakia and Rumania to the Hungarian Government, on April 2, asking it to get rid of the importunate Charles of the Hapsburgs, the fortunes of the "Little Entente" have moved on apace. Although its chancelleries later realized that there was no real need for the ultimatum after all, as the economic condition of neither Austria nor Hungary would have permitted them to try an experiment in reactionism, and France and Italy would not have permitted it to materialize, nevertheless, the act revealed the cohesion of the emancipated States of the Dual Monarchy with those Balkan States which had profited territorially by the partition of the Dual Monarchy; it also revealed their attitude toward the new Austria and Hungary.

The only two States which, although tentatively included in the great scheme of Take Jenescu and Dr. Benès, did not share in the advancing fortunes were Greece and Bulgaria. These can hardly expect to do so until the first has settled its differences with the Turk and the second has assured its neighbors as well as the Supreme Council that its actions meet its words in executing the Treaty of Neuilly.

There was celebrated at Prague, on April 21, the third anniversary of the Italo-Czechoslovak military convention, which placed a Bohemian and Slovak division on the Piave by the side of the Italian troops. At Belgrade, on the same day, an Italo-Yugoslav commercial pact, in accordance with the Rapallo Treaty, was negotiated. Then there was the conference of plenipotentiaries at Porto Rosega, near Monfalcone, northwest of Trieste, April 30-May 8. There finally was the adjourned conference of the same plenipotentiaries at Rome.

In all these places, save at Belgrade, possibly, Italian influence was paramount. France, the other patron of the "Little Entente," particularly in its anti-Bolshe-

vist phases, was absorbed with Germany, both on the Rhine and in Silesia, and the Consulta made the most of her distraction.

The Prague celebration was an imposing affair. The Italian delegation, headed by Prince Pietro Lanza di Scalea, was warmly welcomed by General Husák, Minister of National Defense, and later by President Masaryk, whose health did not permit him to participate in the opening ceremony. The speeches which were exchanged, while praising the military unity which had defeated Austria-Hungary, also gave promise of mutual economic support for the future. Between the two States lie Austria, Hungary, and the Croatian and Slavonian parts of Yugoslavia; these must be bridged by freight service, which will not be without profit to them in the transit. Two days later the Italian delegation took part in the military burial of the forty-two martyrs of Hapsburg tyranny.

At Porto Rosega the report of the Financial Commission of the League of Nations on the financial and economic condition of Austria, with suggestions for its remedy, was debated; the subject was also discussed in the light of the Vienna Government's reply to the report. The suggestions practically amounted to a receivership for Austria to be held by the finance section of the Provisional Economic and Financial Committee of the League, with the institution of the Ter Meulen scheme as a method for liquidation and rehabilitation. The reply of Austria advised the unification of certain Government monopolies with some of the customs and mortgages as a guarantee for credits, but insisted that the whole banking system be overhauled before the sources of revenue could be pledged. All agreed that the malady from which Austria was suffering required a treatment *sui generis*; but, with the success of this treatment in Austria, the same might be applied with similar results elsewhere.

The conference at Rome was the complement to that at Porto Rosega. In the Eternal City the application of the Treaty of Rapallo was expounded by the Italian and Yugoslav delegates, while suggestions for mutual economic benefits were made by the representatives of the emancipated States.

First of all, Austria, Hungary and Czechoslovakia need prepared and raw food products; the Balkans need and are already receiving from America agricultural machinery—Croatia and Rumania, especially, mining machinery; Italy needs raw material for her great metallurgic plants. When this triangular road for an exchange of these products can be opened the old equilibrium will be restored with augmenting advantages for all concerned.

But, although diplomats and economic experts may propose, execution by the interested Governments is more or less at the disposition of the propagandists. While Bulgaria is accused at Belgrade and Bucharest of not making restitution in accordance with the terms of the Treaty of Neuilly, propagandists in Budapest continue to issue literature against Czechoslovakia and Rumania, and in Yugoslavia agents from Budapest are actively stirring up resentment among the Croats at Agram and against the Serbs at Belgrade. Even Rumania has shown her concern over the projected modification of the Treaty of Sèvres, and has so informed the Entente powers.

The Dnevnik of Sofia, in answering the demands of Rumania, Yugoslavia and Greece for a settlement under the treaty, says simply that Bulgaria has not got the goods to deliver, so its creditors must be patient until they can be secured. The Bulgarian budget of 1921-22 shows a deficit of 531,979,803 leva, without counting the extraordinary budget, which shows a net deficit of 1,062,085,000 leva. [A leva in normal times would have the value of a franc.] In 1914 the expenditures were about the same, but then the revenues produced a balance of 225,000 leva, and there was no extraordinary budget.

On May 5, when Parliament reconvened, the text of the new Yugoslav Constitution was debated article by article.

The Rumanian Government, through its Legations in London, Paris and Rome, has informed the Supreme Council that in the

event of acceptance of the Entente proposals, submitted to Greece and Turkey at the London Near East Conference, it reserves for itself, in the matter of the Straits (Dardanelles, Sea of Marmora and the Bosphorus), the right of submitting amendments to the modification, designed to guarantee Rumania's vital interest in and right to an absolutely secure passage from the Black Sea to the Mediterranean. The memorandum was drawn up by Take Jonescu, and the amendments which will also be his work are understood to embrace the following points:

1. A Rumanian representation on the Straits Commission equal to that of Turkey.
2. That, with the raising to 75,000 men of Turkey's armed forces, guarantees be given the Bucharest Government for their good behavior.
3. That there be no passage of Turkish troops between Asia Minor and Europe without the consent of the Straits Commission.
4. That no mobilization of Turkish warships take place without the consent of the Entente powers.

CROATIA'S ATTITUDE TOWARD SERBIA

The attitude of the Croats toward Serbian domination of the Yugoslav group was clearly defined by M. Raditch, leader of the Croatian Peasant Party, in an interview published in the Prague newspaper, *Cas*, and republished by the *Journal des Débats* on April 22. The exact attitude of this leader has long been in doubt, and both the Italian imperialists and the Magyars had hoped to find in Raditch an instrument for breaking up Yugoslav unity. The Croat peasant leader's views, frankly yet firmly expressed, will probably act with the force of a manifesto on Yugoslav political life. M. Raditch said:

We recognize the union of Yugoslavia, and herein we differ from the Frankovatzki Party. This union is our definite goal, and we do not wish to destroy it. Our dispute with Serbia is an internal affair without international significance. The Serbs and the Croats are indeed a racial unit, but they are not one people. In the future we may become one people, but we are not one at present. We shall not act against Serbia, but we do not wish to be with Serbia; we wish to stand beside Serbia. The question is whether or no Serbia will subjugate Croatia. We do not fear this struggle, for we are the stronger.

The Croats want a republic, and in this matter we wish to come to an understanding

with Serbia. Serbia could continue as a monarchy; the Prince Regent Alexander can remain King of Serbia, but he might at the same time be head of a Yugoslav federation. We have nothing against him, and we shall not settle our dispute with Serbia by means of a revolution. Revolution is war and we are opposed to wars. For this reason I am equally opposed to a peasant revolution. If a revolution broke out in Croatia it would be against my will, and the responsibility would rest with the people and not with me. I am also opposed to revolution because we have no arms. If foreigners were to supply arms it would involve obligations on our part, and in that case we should be fighting for foreign interests. All reports, therefore, about revolution are incorrect.

We shall probably not go to the Constituent Assembly. I propose that the Constitution be voted by a qualified majority composed of separate majorities: Serb, Croatian and Slovene. But it seems that Belgrade does not accept my proposal. If the Constituent Assembly passes M. Pashitch's draft

Constitution, we shall not, of course, recognize it, but we shall make use of it and shall submit to it. We shall wait till the next elections, and then it will be seen whether we have on our side a majority, not only of Croats, but also of Slovenes and Serbs. And then we shall alter the Constitution in accordance with our wishes.

Granted that we are carrying on a struggle against Serbia, it is by deliberate intention that we do not pay taxes. I always say to my peasants: "Pay up only when the authorities compel you to by selling your goods; do not give a farthing of your own free will." The result has been that in Croatia only one-twentieth of the taxes has been paid. I am the instrument of the people's will; I do nothing to alienate the sympathies of the people. We have left it to the people to decide for themselves in internal affairs; only the foreign policy of my party has been confided to me. In this connection my program is to advocate the alliance of all Slavs with the Germans in place of the Franco-British alliance.

GREECE IN NEW DIFFICULTIES

End of the military offensive against the Turkish Nationalists leaves King Constantine's Government in a serious predicament—Beginning of a diplomatic campaign to save some remnants of Greece's share in the treaty of Sevres—An important crisis

[PERIOD ENDED MAY 15, 1921]

THE Greek offensive has been adjourned sine die, while the Greek Government is believed to be feverishly importuning England to intercede for it at Constantinople and Italy at Angora, that something may be saved to Hellas from the wreck of her interests in the Treaty of Sèvres. While both the treaties negotiated by France and Italy with the Turkish delegates at the recent Near East conference have been held up by the "Grand Parliament" at Angora, both there and at Constantinople a favorable answer is being prepared to the Entente proposals presented at the conference modifying the Treaty of Sèvres. In a word, Greece is seeking a formula by which she may become a party to the proposals and still save the face of the Constantine Government before the people of Hellas.

But all this is not on the surface. Superficially, we have both the Athens and the Angora Governments actively preparing to renew the war, yet even in these prepara-

tions conflicting events may be noted: General Metaxas has been sent to the field to advise or supersede General Papoulas, the Greek Commander in Chief of the Smyrna front. There the entire staff has been replaced. In Athens there is a new General Staff headed by General Dousmanis, whose chief aid is Colonel Stratigos. There is great activity behind the Greek lines, with heavy concentration of troops from Ushak toward Kutai, as though an attempt would be made to recover Eskişehir. Appeals to the Greeks in Asia Minor to volunteer have been met with enthusiasm, and over 15,000 had been enrolled up to April 30. In Greece proper, however, mobilization has been suspended and martial law declared, while in Crete recruiting has been abandoned altogether.

On the Turkish Nationalist side Rafet Pasha has been replaced by Kiazim Karabekir Pasha, formerly commander on the Armenian front, but his army has been returned to the Eastern frontier.

Both Greek and Kemalist proclamations sound as if the armies were preparing to leap at each other's throat. The latter are fierce in their denouncement of the Greeks as being the only obstacle to peace with the Entente. The temper of the former is shown by a statement made by General Dousmanis, the new chief of the Greek General Staff. He said:

Greece finds herself engaged in a serious war, and it has been necessary therefore to reconstitute and reorganize her Supreme Command to meet the grave situation. The supreme commander is the King, and he is assisted by his General Staff, which now directs the general army organization. General Papoulas, for whom we have the highest esteem, remains Commander in Chief of the army in the field. I may add that we are fully determined to conduct the war with the greatest energy. Both in the northern sector, where we occupy Ismid and Brusa, and in the southern sector our position will be maintained and preparations will be pushed on rapidly for resuming the offensive.

The international aspects offer the same conflicting interpretations. The Greek Navy attempted a blockade of the Straits in order to prevent the Turks in Europe from joining the Angora Army. A Japanese steamship, the *Heimei Maru*, bound for Constantinople from Siberia with 1,000 ex-Turkish prisoners, including 100 officers, on board, was stopped by a Greek torpedo boat and ordered detained at Mitylene. Later, on May 12, on representations from the Japanese Government, the Interallied High Commissioners proclaimed the neutrality of Constantinople, the Bosphorus and the Dardanelles, "while the warfare between Turkey and Greece continues." Aside from practically opening the path to Turks from Europe to Asia, the proclamation legally closes to Greece Constantinople as a supply base for her troops on the Ismid and Brusa fronts and forces her to use only Rodosto on the southern side.

The Turks established a supply base at Eneboli, on the Black Sea, which is connected with Angora by a direct road. A considerable quantity of war material and supplies for the Kemalist army is stored there, having been unloaded from ships carrying on a regular contraband trade. In the Aegean, at Scalanova, the ancient Ephesus, which is under the Italian mandate, there is alleged to be an official delegate of the Kemalists—Manoud Essad—who is receiving large consignments of contraband under

the eyes of the Italian authorities. The papers of Athens insist that the Turks are allowed full facilities for both transit and anti-Greek propaganda in Adalia. One incident is said to be typical of all: The Turks at Adalia had asked the permission of the Italian Governor to hold a public meeting, and they assembled in great numbers on the afternoon of April 16 in the vicinity of the mosque. A Turkish hodja delivered a violent speech against the Greeks, inciting the fanaticism of his hearers against them. After his speech the crowd scattered in the streets, smashed the windows of Greek shops, broke into them, stealing or destroying their contents. In the rioting, which lasted three hours, fifty Greeks were killed and 150 injured, among the victims being the Greek parish priest Sermos, his daughter and son-in-law. The Italian Carabinieri finally established order after the Turkish authorities had declared their inability to do so.

Again, according to the Athens press, the Armenians fare no better. Armenians who have escaped from Kutaya and have reached Smyrna declare that at Kutaya there were 2,500 Greek families, 1,200 Armenian families and 300 Catholic families. Out of this Christian population the Turks left only the women and children. The entire male population from the age of 15 to 45 years was transported to Sivrihissar, Beypalar and Angora. Men from the age of 45 to 60 were taken to Eskishehr, where they are compelled to work in the ammunition factories established by the Turks under German direction during the great war. Kutaya, seventy-five miles southeast of Brusa, has railway connections with both Constantinople and Angora.

The papers of Athens also print stories of the most frightful atrocities practiced by the Turks on the Greek population. In the Athenian Boulé, on April 18, there was a debate on the subject. The speakers showed from letters and official reports that the traditional hatred of the Turks was never really extinct, and as little of their doings was known to the Western world at the time they were allied to the Germans it may be proper to recall them.

Deputy Boukalas, speaking, read a number of official reports, corroborated by witnesses, concerning the massacres of Greeks and Armenians during the war. Among

them were the Turkish reports of Halide Edib Hanoum, the Turkish authoress, who is at present a member of the Angora Government, Mustapha Kemal having made her Minister of Public Instruction. Damid Ferid Pasha, the leader of the Old Turk Party, in the Turkish Senate said: "The destruction of the Christian population in various parts of the empire during the war was an unpardonable mistake and a crime." According to statistics gathered by the Oecumenic Patriarch of Constantinople the number of Greeks alone killed during the war and after, up to June of 1920, amounted to 725,000. Damad Ferid Pasha admits that the number was 550,000, but says that the total includes all Christians.

We now come to the diplomatic phases of the subject as they emerged from the London Near East conference, Feb. 2-March 12—the Entente proposals for a modification of the Treaty of Sèvres and the pacts negotiated by France and Italy with the Angora Government—most of which are beneath the surface. On their return to their posts both the Grand Vizier, Tewfik Pasha, the head of the Sultan's delegation, and Bekir Sami Bey, the head of the Angora delegation, issued statements to the press. The first was:

If the London Conference could not assure peace in the Orient, it has at least given us certain palpable results. Justifying our Nationalist efforts, it has justified the existence of the Nationalist movement in Anatolia. An unaltered execution of the Treaty of Sèvres has been recognized as impossible in its ensemble. The present war is a struggle between Greece and Turkey, in which the fate of all the Greeks and all the Turks is at stake. We are determined to defend our rights to the extremity, and we can look to the future full of confidence.

The statement of the Grand Vizier reads:

I am personally satisfied with the results of the London Conference, which have yielded results qualified to satisfy Ottoman aspirations on certain points. Thus the sovereign rights of Constantinople are assured, and our economic claims to a large degree have been recognized. The conference, however, was rendered sterile by the attitude of the Greek delegation. We are now preparing our reply, which we shall present whenever we are invited to do so. I am persuaded that the leaders of Angora will realize that the salvation of the empire requires union, which I hope will be achieved as soon as the modifications of the Sèvres treaty have been realized. We demand the evacuation of Thrace and Smyrna unreservedly.

The facts upon which the declaration is based that Greece has asked Italy to intervene at Angora are not so well founded as those upon which British intervention at Constantinople are based; they are, nevertheless, worthy of consideration. They do not concern either the King or the Government of Greece, or even the people, but the person of the new Premier and his conversations with Count Sforza, the Italian Foreign Secretary, while at the London Conference. At the beginning there are the past relations between the Gounarists and Italy. The Gounarists throughout the parlous times of 1915-17 possessed no better friend in the allied camp than the Italian Minister at Athens, Count Bosdari. Before and during the elections last Autumn which restored King Constantine and made Venizelos an exile the Gounarists remained *personae gratae* at the Italian Legation at Athens. The Italian Minister officially observed the same attitude as did his English and French colleagues, but at Rome the Constantinos envoy, M. Metaxas, was treated as a full-fledged and accredited plenipotentiary. Thus the open and resolute opponent of Greek territorial expansion was also the most open and resolute upholder of King Constantine's régime, simply because, in the Consulta's view, that régime connoted, at an early date, the reversion to an anti-Venizelos policy—the policy of the Little Hellenes, with its renunciation of the Dodecanese.

There is no doubt whatever in regard to the British intervention, for this was announced in the Ikdam of Constantinople on May 2, in which the Greek proposals that the British Government had undertaken to transmit to the Turkish Government and to Paris and Rome were given as follows:

1. The evacuation of Asia Minor by the Greek troops.
2. Smyrna and its hinterland, recognized as autonomous, shall be placed under the common control of France, England and Italy.
3. The rights of the unredeemed Greeks resident in Asia Minor shall be guaranteed by these three powers.
4. Greece surrenders to the same three powers the regulation of the question of Constantinople and the Straits.
5. The rights of Greece to Thrace and the Aegean Islands shall be maintained.

It is also reported that the Gounaris Government would consent to the abdication of

King Constantine if such a measure should become necessary in order to secure the acceptance of the foregoing proposals. It will be observed that the proposals even go beyond those made by the Entente at the London Conference. They meet the Turkish objection to the latter by indicating the removal of the Greek garrison from Smyrna, although they fall short of the agreements made by France and Italy with the Angora delegation.

On April 28 Prince Omer Faruk Effendi, son of the Heir Presumptive to the Turk-

ish throne, Abdul Medjid Effendi, left his palace at Stamboul and departed for Angora to join the Nationalists. His departure and the letter he left for his father, saying that he could no longer restrain himself from fighting while the homeland was being invaded, would be very significant were it not for the really unimportant status of Omer and the fact that the rapprochement between Stamboul and Angora is daily growing closer.

[See also "What the Greeks are Fighting For," Page 407.]

SOVIET RUSSIA'S RETURN TO CAPITALISM

How Lenin's speech before the Tenth Communist Congress aroused a storm within the Communist ranks—His attempt to justify his new policy of concessions to the peasants, notably freedom to sell and buy—Moscow's efforts to reopen commerce with Europe

THE speech made by Lenin, the Moscow dictator, before the Tenth Congress of the Communist Party, held in Moscow in March, which, as reported throughout the world press, seemed to amount to a renunciation of Bolshevik principles, had the effect of creating a storm within the ranks of the Russian communists themselves which Lenin had some difficulty in allaying. It may be said, in fact, that Lenin has been explaining ever since. Petrograd papers commented on the confusion that was added to the already confused life of Soviet Russia from the first month's application of the concessions granted to the peasants in respect to free trade. It was stated that new decrees were constantly being issued by Lenin and Kalinin—a member of the Soviet Central Committee—to modify conditions arising from the changes. One decree sent out by Kalinin on April 20, for example, revealed the fact that workmen in the war munitions factories, misunderstanding the concessions, turned from war work to the making of plows, for the purpose of engaging in personal trade. The decree forbids such diversions without the specific consent of the War Commissary.

Vorovsky, Lenin's emissary in Italy, ad-

mitted that pure communism had failed in Russia, and that the concessions granted by Lenin could not be avoided. Granting to the peasants the right to sell and buy on their own initiative, he conceded, was a step backward, but circumstances had compelled it. The State, which should nationalize and distribute all the means of production and exchange, had nothing but salt and petrol to dispense. "We have made an experiment on too vast a scale," said Vorovsky, "affecting 150,000,000 people. We are going to return to the limits of the possibilities of the moment. The rest will come by degrees."

Lenin, under fire before the Moscow railwaymen's conference on April 16, answered several bitter attacks based on charges that he had yielded to a compromise with the bourgeois elements, and combined his defence with a vigorous counter-attack against "socialist babblers" and ranting orators of the opposition. Lenin's speech was in part as follows:

Three and a half years of continuous and unprecedented fighting are now behind us. It is time to balance our accounts, to confess frankly and openly that the International proletariat has practically not supported us at all, and now we are being accused of wishing to return to the old capi-

talist state of affairs. But our accusers forget one thing—the bourgeois class does not exist any more in Russia. We have completely destroyed the Russian bourgeoisie. Only peasantry is in a position today to conduct and continue the struggle against the victorious proletariat, and I ask you: Do you want to fight the peasantry, a new war to the bitter end, or would you not prefer peace by mutual agreement?

As far as I personally am concerned, I know only too well how badly organized are the Russian peasants, how little class consciousness they have. In such circumstances they do not represent a serious menace to the dictatorship of the proletariat. Therefore we must by all means strive to attain union with the peasantry and meet them half way with regard to their justifiable demands.

The peasants have suffered during the last few years from military requisitions, famine, poor crops, epizootic, and now do not forget those new troubles, those new cares that the demobilized soldiers are carrying back with them to their village homes.

The soldiers do not wish to go back to cultivate their land and become peaceful workers. The demobilized soldiers are our greatest enemies. They have been accustomed to rob and pillage and murder. They have been accustomed to satisfy only their own needs and desires. This anarchical characteristic of the demobilized soldiers has found a favorable echo in the dull discontent and dissatisfaction of the peasant masses, and these two combined factors may destroy our republic.

In these circumstances we cannot go too far in our game with the bourgeoisie, which is impatiently awaiting our downfall, but the hopes of world capitalists will not be realized. The Soviets today are powerful and strong enough both to admit their mistakes of the past and to overcome all new difficulties to save communism by paying the price of renunciation of certain theoretical precepts.

Again, speaking at Moscow on April 24, Lenin said:

The majority of our population now consists of peasants, and we must take them into account if we want to do productive work. Of course, free trade means the introduction of capitalism, but you cannot escape that. Capitalism, however, is no danger to us if most of the factories, transportation and external trade are in our hands. Concessions also will mean a state of capitalism that will help us to improve our economic condition, which we alone cannot do. If the greater number of factories and the general control remain in our hands, concessions, likewise, do not constitute a danger for us.

Further explanations and justifications of his new policy were embodied by Lenin in a long article published by the Moscow

Pravda on May 3. In this article Lenin sought to appease the communist workmen, who, having nothing to barter in the open market, are rapidly losing the considerable privileges which they enjoyed three years ago, when the Bolsheviks took power; these workmen are greatly alarmed, and accuse the communist leaders of favoring the peasants, to the detriment of the working class. The rest of Lenin's article is devoted to a defense of his policy to revive capitalism in Soviet Russia. The way to true Socialism, he declares, lies through State capitalism—German State capitalism.

M. Lomov, Chairman of the Committee on Concessions of the Russian Supreme Council, dwelt upon the vast concessions which Russia was willing to make to induce foreign capital to come in:

We have radically changed our policy regarding concessions [said M. Lomov]. At first we were ready to grant concessions only in such domains as we could not hope to work economically with our own resources for some years. Now we are negotiating to grant concessions in the most vital of our industrial centres—like Baku and Merosny for oil, Donetz for coal and Krivoyrog and Kertch for iron ore. We are ready to grant concessions in the Donetz basin of lands hardly touched, and possessing enormous deposits of our best coal. * * * Russia will need foreign capital and technical help for years. As we shall be increasingly dependent upon the good will of concessionaires, they may feel sure that we will be scrupulously careful to respect our obligations toward them. No political guarantees can be more potent than our own self-interest.

Regarding the much-discussed concessions in Kamchatka to be granted to the American financier, Washington B. Vanderlip, M. Lomov stated that all details had been completed by the Soviet Government, which had assured itself that Vanderlip had solid American financial backing, and that the closing of the deal was delayed only pending the resumption of trade relations with the United States. When such a resumption would occur was left veiled in obscurity by the uncompromising reply of Secretary Hughes to the note from Moscow offering to reopen trade relations. Lenin, it appeared, was pleased, more than otherwise, by the charge embodied in this note that the Bolshevik Government had in no way changed its principles, and was still striving for world revolution. This was received with a chuckle by the saturnine dictator, who saw in it a good counter-

active for the remark made by Lloyd George that Lenin had abjured the Bolshevik theories and aims, and that his speech before the Tenth Communist Congress might have been made by Winston Churchill, whose anti-Bolshevist attitude is well known.

The actual text of this speech, received in New York in May, is the best contradiction of Lloyd George's assertion, for it shows plainly, out of Lenin's own mouth, that all modifications are a mere temporary expedient to help the Soviet régime to continue its existence until the world revolution has come to pass. What the Bolshevik leaders are doing to hasten that revolution was reviewed in full detail by Zinoviev, the Bolshevik dictator of Petrograd, in a speech before the executive committee of the Third International, summarized by *The London Daily Telegraph* on April 14. The status of Bolshevik propaganda in Germany, France, Italy, Austria, Czechoslovakia, Rumania, Bulgaria, Norway, Sweden, England and the United States was reported on by Zinoviev, who defined this propaganda as a turning movement threatening the bourgeois countries surrounding Soviet Russia.

Meanwhile the Moscow dictators continued their plans to reopen trade relations with these bourgeois countries, whose Governments they are seeking to overthrow. Although Secretary Hughes, in a letter to Samuel Gompers, the labor leader, on April 16, called Soviet Russia an economic vacuum, and emphasized the futility of reopening trade relations under present conditions, there were evidences that at least a part of Europe was not of this opinion. Great Britain in March ratified a trade agreement with Moscow, and an important decision of the British Court of Appeals on May 12 held that, since this treaty was an official recognition of the Soviet as the *de facto* Government of Russia, such Government had a right to confiscate and own the gold which it was sending to England to cover its commercial transactions. This test-case decision apparently opens the way for extensive British trade with the Bolsheviks. Russian newspapers on April 27 had already reported the arrival of the first British trading vessels at Novorossisk, South Russia, bringing cargoes of grain and agricultural machinery. Great Britain,

furthermore, appointed Robert McLeón Hodgson, one-time British consul in Vladivostok and subsequently in charge of the British High Commission at Omsk, Siberia, to act as British trade representative at Moscow, charged to watch the developments of Anglo-Russian commerce and to assist Britons to do business with the Soviet Government.

The preliminary trade treaty between Moscow and Berlin, which so long hung fire, was at last concluded by energetic mutual action on May 6. A time limit of three months was set for withdrawal from this provisional arrangement. The compact authorizes Germany and Russia to exchange commercial delegations, which will enjoy full diplomatic privileges, and will be given the full consular powers necessary to legalize contracts and facilitate business. Merchant ships of both countries are to be granted the customary privileges relative to territorial waters, and radio, telegraph and postal communications. Both parties pledge themselves not to conduct propaganda through their respective delegations or otherwise, and assume responsibility for those delegations' acts. The agreement was signed by Aaron Scheinemann for Soviet Russia and by Gustav Behrendt and Baron von Maltzen for Germany.

Official figures of trade transit through Latvia for the first twenty days of April, combined with official Soviet announcements, show that Soviet trade, or at least import trade, had sprung into considerable activity during the first month of open navigation on the Baltic. It is estimated that some 35,000 tons of foreign goods came in by way of Latvian and Estonian ports. This is the largest amount that has entered Russia in any month since the blockade was lifted. British trade, as noted, has begun through the Black Sea ports, and it was announced on May 8 that Italian lines were organizing for commercial transport to the Black Sea region. All business done was on a cash basis, and covered by the Soviet gold reserve. It was reported from Stockholm that Soviet gold shipped to Sweden for melting and reminting totaled \$120,000,000. A trade agreement was being pushed with Norway, although, as in the case of Great Britain, public opinion was not favorable to a resumption of commercial relations.

Trade relations with Finland have not yet been resumed, the Bolshevik trade delegation having left Finland and returned to Russia owing to irreconcilable difference of views. Since the conclusion of peace, relations between the two nations have been strained by disputes over alleged violations of the common frontier. In an aggressive note M. Tchitcherin, the Soviet Foreign Minister, threw the whole onus on the Finnish Government, and defended the Bolshevik invasion of the district of Rapolz and Porajærvi, which had been granted autonomy under the treaty. The Finnish reply, made public on May 3, threw the whole blame back upon the Bolsheviks, and declared that a real peace, including commercial relations, could not begin until the Soviet accepted the responsibility for the attacks upon the Finnish frontier guards, and likewise took effective steps to prevent further incursions of armed gangs into the Finnish Legation in Moscow. Despite this interchange of courtesies, the Finnish Government decided to allow the Soviet trade delegation to return to Helsingfors, in view of the progress made in the repatriation of Finns from Russia, although the Finnish Minister for Trade declared that, before trade relations could actually begin, the question of Finnish claims in Russia must

be satisfactorily settled. While thus preparing for the opening of unrestricted commerce with the outside world and for a revival of capitalism in Russia itself, the Soviet Government was taking active measures to rebuild its war fleet and to increase its army. Apart from peasant revolts in Siberia, the Moscow leaders have had to contend for some time with a somewhat widespread anti-Soviet movement in South Russia and the Ukraine. One movement in the Tambov Government, south and southeast of Moscow, reported to be assuming formidable proportions and led by General Antonov, a former Bolshevik commander, was declared by Moscow on May 8 to have been crushed; many of the "bandits" were killed, though Antonov himself managed to escape. Antonov's defeat added one more to the long list of anti-Bolshevik liquidations which the Soviet Government has to its credit. Only the ubiquitous bandit leader Makhno and the tenacious General Petlura still remained to be disposed of. As for the peasant revolts that spring up in all directions and at all times, the Moscow leaders expected that the new concessions granted to the peasants, including the right to dispose of all but 10 per cent. of their crops in trade, would automatically eliminate these uprisings.

FEISAL SEEKS TO RULE MESOPOTAMIA

[PERIOD ENDED MAY 15, 1921]

IN Mesopotamia the people are still wondering who is to reign over Irak as Emir or King. In England they are wondering how much more it will cost the Empire before the Arab Government gets down to business. As to the first, Prince Feisal has attempted to hasten matters by declaring to European correspondents at Cairo that unofficial proposals had been made to his Royal Highness to accept the throne, thus stealing a march on his brother, Prince Abdullah, supposed to be favored by Lord Allenby, who is believed to have the controlling vote in the matter.

In London the cause of Feisal has been espoused by General Haddad Pasha, the representative of the King of Hedjaz in Europe. The Arabs all over the East, he said, believe that the time has come to

make a definite settlement of their particular problems, and they look to England to lead the way to the solution. He then offered the following statement to the London press:

It is well enough known that the inhabitants of Mesopotamia would gladly have a member of the Sherifian royal family as King, and the choice of the Emir Feisal, I think, could not but be acceptable to the British Government, who are aware, also, how loyally his Royal Highness served the Allies during the war. The solution of the Arab question that is sought is one that will give satisfaction to the Arabs themselves and that will safeguard the interests of the allied powers. The enthronement of Emir Feisal, I believe, would give such a solution.

The General adds that his Royal Highness harbors no resentment toward the

French for the way they treated him in Syria, by dethroning him after he had been elected by the Syrian Congress:

I am certain that the Emir cherishes similar feelings toward the English and the French, that he wishes that the Allies may work in cordial agreement in the East, because he considers that the alliance of the great powers will yield good results to his country, whereas a conflict would be most harmful to the Arab nation. I earnestly hope that a settlement similar to that reported to have been arrived at in Mesopotamia will be attained also in other Arab countries.

Although since Winston Churchill's return to London he has done no more than show a considerable reduction of expenditure in Mesopotamia as well as in Palestine,

it is understood that at the Cairo Conference, which he attended, it was decided to find prominent places for all the available sons of King Hussein in the new Arab States to be created out of the British mandates, the only objection being that France would not consent to the use of Syria for that purpose.

The London Daily Sketch, whose Colonial Office news is usually considered authoritative, confirmed, on May 6, the foregoing intelligence in regard to the creation of a number of Arab States, adding:

"This would secure a new overland aerial route to India under British protection. Mesopotamia is to become the great depot and training ground for military aviators in the service of the British Empire."

ARAB RIOTS IN PALESTINE

[PERIOD ENDED MAY 15, 1921]

THE report to Winston Churchill, British Secretary of State for the Colonies, delivered to him in Jerusalem, by the President of the Third Palestinian Arab Congress, mentioned in these columns last month, turns out to be a rather pitiful yet formidable document—pitiful, because the Arabs say that they are now being punished for their loyalty to Englishmen, and formidable, because they demand the abrogation of the British mandate in its present character.

The report emphasizes the resentment of the Arabs that their country "has been sold to the Zionists," while they deplore greatly the appointment by England, in complete disregard of the feelings of the inhabitants, of a Jew as High Commissioner. It condemns the famous Balfour Declaration, and on this condemnation bases the following demands:

That the principle of a National Home for the Jews be abolished.

That a National Government be established which shall be responsible to a Parliament elected by the Palestinian people who existed in Palestine before the war.

That a stop be put to Jewish immigration until such time as a National Government is formed.

That laws and regulations in force before the war shall be still carried out and all others framed after the British occupation be annulled, and no new laws be made until a National Government comes into being.

That Palestine shall not be separated from her sister States.

As British High Commissioner, Sir Herbert Samuel has authority to grant and to maintain different forms of government in the various districts of Palestine, in accordance with the race, political aspirations and intelligence of the population. Thus east of the Jordan he has created the State of Trans-Jordania, and it was announced by the Jewish Telegraph Agency on April 30 that Prince Zeid, a brother of Prince Feisal, son of the King of Hedjaz, was about to be officially proclaimed as its ruler, under the High Commissioner.

Early in April intelligence was received by Sir Herbert that Bolshevik agents were on their way from Angora to stir up strife in Palestine, either on orders from Moscow or at the instigation of Mustapha Kemal Pasha, the Turkish Nationalist leader. They first attempted to intimidate the farmers on the Plain of Philistia, which runs north and southeast of Jaffa and Gaza. But the people on the Plain would have none of them, although they spoke their language, for here dwell the original Zionists, Russian Jews who had left Russia several years before the war, and had even prospered under the old Turkish régime. Besides, they were too busy with their farming to give ear to the Bolshevik doctrine. So the agents of Lenin

sought the cities and met with better success among the disaffected Arabs.

All this is confirmed by a dispatch dated April 21, sent *The London Times* by its Jerusalem correspondent. What then happened is told by dispatches received by the Zionist Organization of America, supplemented by the regular news agency dispatches from Jerusalem to Paris and London:

On May 1 the Jewish laborers of the old section of Jaffa, with the full permission of the authorities, were marching in procession. Some communists tried to break up the procession. As the rioting increased an attempt was made to preserve order by the Jewish Defense Corps, which a few days later was to be demobilized at Tel-Aviv, a suburb of Jaffa. Thereupon the rioters freely used knives, pistols and rifles, killing 27 Jews and wounding 150. There were no Arab casualties. It has been evidenced before the investigation conducted by General Deeds and Judge Norman Bentwich that the Arab police participated in the rioting and actually led the rioters into the houses of the Jews, particularly in the at-

tack upon the Immigrant House, where the incoming Jews stay until work is found for them.

On May 7 another disturbance between Jews and Moslems took place near the new agricultural colony of Petah Tikvah. There were some casualties before the military intervened. On the same day at Jaffa the Moslem longshoremen refused to allow Jewish immigrants to disembark until marines were landed from a British man-of-war. On the same day, also, some isolated Jewish farming colonies recently settled beyond the Jordan were attacked by Bedouins, who were ultimately driven off by British troops. Both in London and Paris grave concern is felt in Government circles.

The new budget contains an appropriation of 100,000 Egyptian pounds for national defense. In speaking of this item, Sir Herbert said that the recruiting for Jewish and Arab defense units would be begun at an early date. The budget estimates revenues for the year at E. £2,214,000 and expenditures at E. £2,185,133. Today an Egyptian pound is worth about \$3.85.

PERSIA'S NEW ALIGNMENT

[PERIOD ENDED MAY 15, 1921]

TO abrogate the treaty with Great Britain was the first act of the new Government installed at Teheran by the coup d'état of General Reza Khan, leader of the Persian Cossacks. On Feb. 26, six days after the installation, the Persian Envoy at Moscow, Ali-Guli-Kahn Moshaverol Memalek, and two representatives of the Government of the Russian Socialist Federated Soviet Republic, Georgii Vasilievich Chicherin and Lev Mikhailovich Karakhan, signed a treaty between their respective States which must be ratified by both within three months.

The text of this treaty was immediately sent abroad by the head of the Soviet propaganda bureau, not through the usual diplomatic channels, nor yet to foreign agents of the bureau, but directly to persons and publications supposed to be in sympathy with the spread of Bolshevism of the academic or parlor variety.

The document is based on the declarations

of the Moscow Government, made Jan. 14, 1918, and June 26, 1919, which renounced any attempt to pursue the invading and denationalizing practices by the late Czarist Government.

In striking contrast to the coercive treaties made by Moscow with other Transcaucasian States, it pretends to be constructive and helpful instead of destructive and dominating. This probably accounts for the manner in which it was dispatched abroad. The former arrangements between the late Imperial Government and Persia are thus abrogated in the first clause:

Accordingly, wishing to see the Persian people independent, flourishing and freely controlling the whole of its own possessions, the Government of the R. S. F. S. R. declares all tractates, treaties, conventions and agreements concluded by the late Czarist Government with Persia and tending to the diminution of the rights of the Persian people completely null and void.

Then there are clauses for mutual de-

fense, which guarantee to both immunity from use of their territory by a third power aiming to attack either; others surrendering to the Persians "the financial sums, valuables, and in general the assets and liabilities of the Discount Credit Banks," in order to repair the losses sustained through the Czarist régime. Further clauses abolish the religious and political missions established for the Russification of Persia and now alleged to be used for reactionary propaganda, and turn the buildings of these missions, lands and other property "to the establishment of schools and other cultural educational institutions." Others condemn the policy of imperialism and capitalism, which causes the exploitation of undeveloped countries by the rich, and, wishing Persia to stand upon her own feet, the high contracting power at Moscow hands over to Persia all the foreign-owned railways, docks, ships and lines of transportation and of communication, whether the Czarist share was a controlling share or not.

The persons who received copies of the

document abroad are expected by the Moscow Government to contrast it not with other treaties made by the same Government but with the "capitalistic" treaty made by Great Britain with Persia.

On April 9, Zia-ed-Din, the new Premier, entertained foreign officials at a dinner in Teheran and explained the foreign policy of his Government, as some of his guests had taken offense at the abrupt language employed in the published programme. (See CURRENT HISTORY for May).

He declared that the relations with Great Britain were now completely cordial, owing to the "disappearance" of the Anglo-Persian agreement, which "had bred clouds of misunderstanding." Persia, he continued, depended on sincerely good relations with Russia and England. In addition she turned to America, who had ever opposed the Anglo-Persian pact, for agricultural and to France for legal advisers, and she also contemplated employing Belgians and Swedes.

On May 1 the British troops left Teheran just as a Russian diplomatic mission entered it.

THE NEW SYRIAN BOUNDARY

To the Editor of Current History:

In the article entitled "Secret Pacts of France and Italy With Turkey," in your May issue, it is stated: "The frontier between Turkey and Syria will start from a point to be chosen on the Gulf of Alexandretta, immediately south of Payas, and will extend on a straight line toward Meidan-Ekbese, the railroad station and the town being assigned to Syria."

Now, there is no such town as Meidan-Ekbese, although there is such a town as Meidan, and

there is another, on a line almost due west, called Ekbese. These two towns are about four hours' horse ride from each other, and are supplied by the one railroad station, about half way between them. This station is called Meidan-Ekbese, and I had the misfortune to be stationed there for three months.

The towns are situated on the foothills of the Amanus Mountains and on the old boundary between Cilicia and Syria that the Turks acknowledged before the war. In conceding this terri-



THE NEW NORTHERN FRONTIER OF SYRIA, ESTABLISHED BY THE FRANCO-TURKISH AGREEMENT, GIVES TURKEY A NEW SLICE OF TERRITORY EXTENDING SOUTHWARD TO THE BAGDAD RAILWAY

tory to the Turks the French must have been entirely governed by the strategic military advantages to be gained therefrom.

This treaty apparently leaves them the railroad junction of Mouslimie, situated to the north of Aleppo; without this the Turk cannot cause any trouble to the French project of extending the Bagdad Railway to Bagdad, one of the pet dreams of Georges Picot. It was the capture of this junction by the British troops that brought about the capitulation of the Turkish armies in Mesopotamia. While it would be possible for the Turks to build a new line from Islah to Chobenbeg, the expense would be enormous and the return infinitesimal, although the military expediencies of the future might make it necessary for such an excursion.

As will be seen, the French really control the famous Berlin to Bagdad Railroad, a dream that has been theirs for many years. During

the period that the ultimate mandating of these territories was in doubt to the general public our ally used every means of secret diplomacy at her command to persuade the other nations that it was she alone who could control these areas. Agents sent out seemed to suffer from a severe attack of Anglophobia, and would not take advice from men who had been in intimate touch with the Turks and Arabs for many years. I venture to say, had the French been willing to accept advice then, the massacres in Adana and Aintab would never have taken place; they would still retain Cilicia, and Mustapha Kemal would not now be the power he is.

I have called your attention to this little matter as a point of information, thinking it may be useful to you, perhaps, at some future date.

H. SHAW.

354 Seventy-fourth Street, Brooklyn, N. Y., May 1, 1921.

INDIA'S WELCOME TO HER NEW VICEROY

Lord Reading's arrival in Bombay and the spirit in which he assumed the vast responsibilities of his new office—Views of the retiring Viceroy on the present situation—The attitude of Afghanistan

INDIA, early in April, was the scene of an event of national and international importance. Lord Reading, former Chief Justice of Great Britain and now the new Viceroy of England's Indian dominions, arrived in Bombay on April 2. He took over formal possession of all official functions from Lord Chelmsford, the retiring Viceroy, and auspiciously began his administration with addresses in which he expressed his deep desire to get close to the heart of India during his coming term of office. He further made an appeal to all classes and parties for co-operation in the gigantic task of solving India's momentous problems.

The new Viceroy, on landing at Bombay, received a cordial welcome from a brilliant throng of high officials, including Sir George Lloyd, the Governor of Bombay; General Lord Rawlinson, the Commander-in-Chief of the Indian Army; the members of the Viceroy's executive council, high naval, military and civil officials, and a number of Indian Princes. The Municipal Corporation presented an address, to which Lord Reading replied. He then inspected the guard of honor and proceeded forthwith to the Government House with an escort of cavalry. The route was lined by troops and

by crowds of spectators, who heartily cheered the new Viceroy as he passed.

In his reply to the Municipal Corporation's address of welcome Lord Reading declared that he fully recognized the seriousness of his undertaking and the vast responsibilities which would devolve upon him. He referred to the allusion made by the Corporation to the ancient race from which he was descended (Lord Reading is of Hebrew origin) and expressed the hope that this Eastern blood might quicken his appreciation of the aims and aspirations of the Indian people and enable him "to catch the almost inaudible cries, the inarticulate whispers of the multitudes." He concluded by stressing his belief in justice administered with rigorous impartiality. These words created a strong and favorable impression, which was enhanced by the new Viceroy's subsequent utterances.

In an extemporaneous speech made before the Indian Merchants' Chamber of Commerce of Bombay on April 3, in response to an address of farewell presented by that body, the Viceroy referred to the fact that members of this body had called on him and presented a detailed list of what they considered their legitimate political and

economic grievances, from which they asked relief. Lord Reading's comment on these grievances was cautious in the extreme, and in the course of his address he emphasized again and again his view that he should not yield to the temptation to discuss any of these or other problems before he was able to give to them the fullest and most thorough study. He also pointed out to the association that many of India's present economic and financial difficulties were but a common heritage with the nations of Europe of the consequences of the European war. Speaking of the welcome which the people of Bombay, as well as the high officials had given him, he declared that this had been to him an encouragement, as tending to show that "the people have not set their hearts against the new Viceroy, but rather that they gladly welcomed a Viceroy who wished to be in sympathy with them." He added:

It is from this that I take some comfort to myself. It leads me to study the situation with hopefulness, which I trust I shall carry to the end of my responsibilities. If only Indians throughout India and the British, with myself, all work in union for the closest co-operation in the development of India's resources, for India's prosperity, there can be no doubt that India will become prosperous and happy.

The general tone of Indian press comment was reflected by the Pioneer of Allahabad, which said:

Every thoughtful person will appreciate Lord Reading's determination to study conditions before committing himself to a definite line of action. He comes to India at a singularly difficult time. It will tax all his statesmanship to set the new Constitution firmly on its feet and to guide India's destinies safely through the period of transition, but he may rest assured of the cordial sympathy and co-operation of every loyal subject and well-wisher of India in the great task lying before him.

After a short visit at Delhi the Viceroy went to Lahore in the Punjab, still smarting with the sting of the Amritsar "massacres." Replying at a garden party to an address of welcome, Lord Reading, after speaking in terms of high appreciation of the part played by the Punjab in the war and voicing the great interest felt by the King-Emperor in the welfare of the province, passed to a frank reference to the Amritsar controversy. Repeating the view of the Duke of Connaught he urged that bygones be bygones, and announced that

the Governor had appointed a committee to recommend adequate compensation for the victims of the Amritsar troubles, as well as for their families. Again the Viceroy urged co-operation in order to give the fullest effect to the King-Emperor's promises to India, of which the reform laws and the new Legislature were the first earnest. In the course of the next day or so the Viceroy paid a flying visit to Amritsar, where he inspected the Jallinwallabagh (Sunken Gardens), scene of the shooting of 1919.

The situation that confronted Lord Reading, difficult as it was, with Mr. Gandhi's formidable movement for non-co-operation still very much alive, and a large body of popular discontent to cope with, had some compensating features. One ray of hope was the excellent record which the new Legislature at Delhi had made in the few short weeks since its opening. Lord Chelmsford, the retiring Viceroy, referred to this hopefully on his arrival in England. The movement of Mr. Gandhi, he said, whatever its influence among the lower classes, was losing ground with the educated element, who had already given signs of being much impressed by the new advisory council at Delhi and the other reforms being instituted, according to the Montagu-Chelmsford legislation.

One source of anxiety was the outcome of the political mission of Sir Henry Dobbis to Kabul, the capital of Afghanistan. The Amir Amanullah had made the following demands as conditions for the making of a new treaty: Payment of subsidy arrears due to his late father, Amir Habibullah; permission to import arms free of duty; the cession of the territory of Waziristan; the right to admit Soviet representatives into Kandahar, Ghazni and Jalalabad, and the grant of a seaport. Of these demands, that regarding the admission of the Bolshevik consulates presented most difficulties, in view of the intensity of Bolshevik propaganda in Afghanistan. Simultaneously with the publication of the Anglo-Russian trade agreement on March 17 there was made public in The London Times a sharp letter sent by Sir Robert Horne for the British Government to the Soviet emissaries, calling their attention to the Bolshevik activities in Afghanistan, declaring them in flagrant contradiction to the terms of the trade agreement, and insisting that the

agreement could not become effective unless such propaganda ceased immediately. Whatever may be the Amir's desires, affected by the ties which he has made with Moscow, it was considered scarcely probable that Great Britain would consent to the establishment of official nests of Bolshevik intrigue on the very border of India. It seemed likely toward the middle and end of April that the negotiations would be considerably protracted. Severe fighting with hostile Afghan guerrilla leaders went on sporadically throughout this period.

Sweeping demands were made by Mr. Chotani, the head of the Indian Moslem delegation to London, and Sheik M. H. Kidwai, in a joint letter sent by them to Mr. Montagu, the British Secretary of State for India, on April 16. They asked no less than that the whole mandate for Jerusalem should be changed to conform to the Moslem view, that the British army should be with-

drawn from the Ismid Peninsula on the ground that it hindered the union of the Turkish Nationalists with their kinsmen at Constantinople and also because "Indians of all schools of thought and creed strongly disapprove of Indian soldiers being now employed beyond the frontiers of their country when no colonial soldiers are so employed and when no Indian interests are threatened." Other representations blamed England for the Greek occupation of Smyrna and for the bloodshed which it occasioned, and demanded that the Dardanelles and the Bosphorus should be closed to all States but Turkey. This letter was a noted example of the spirit of solidarity which now unites the Indian Moslems with their Turkish brethren against Great Britain, a feeling which Mr. Gandhi has turned to great advantage in enlisting the co-operation of the Moslem brothers Ali in his anti-English campaign.

JAPAN'S CROWN PRINCE IN ENGLAND

How Prince Hirohito was received by King George and all the great dignitaries of the British realm—The troubles of the Japanese Government at home

FROM the English port of Spithead on the morning of May 7 watchers glimpsed through leveled telescopes the glint of steel far off on the horizon; then, as they continued watching, they distinguished the flutter of a flag showing a red orb against a white background. "That is the Katori!" they exclaimed. Soon afterward the Japanese battleship Katori, bearing Prince Hirohito, the Japanese Crown Prince, with an official party of eighteen prominent Japanese, entered the port and the British battleships drawn up to welcome the heir to Japan's throne boomed forth a thunderous welcome from their biggest guns, which the Katori answered.

So Prince Hirohito, representing the throne of one of the five great powers of the world and of the greatest military power of Asia, began his historic visit to Europe. This was the first time in history that a Japanese Crown Prince had left the shores of Japan to visit the nations of the West.

Political wiseacres declared that Prince Hirohito's visit was timed to predispose the

British favorably to the permanent renewal of the Anglo-Japanese alliance. An official explanation was offered by Premier Hara in presenting to the Diet on March 18 last an estimate of the expenses required for the projected tour. "The imperial visit," he said, "has for its aim an inspection of the general condition of the Western powers, and the opportunity will, of course, be utilized of visiting different European monarchs. The trip will be of great benefit, not only to his Highness, but also to the Japanese Nation in various respects."

Most of the British press comments on the Prince's visit were complimentary in the extreme. The London Daily Telegraph, in referring to the danger of war between Japan and the United States and the possibility that the Anglo-Japanese treaty might be invoked to gain British support for Japan in such a war, expressed the conviction that Great Britain would never join the Japanese against America, and declared that the danger of war between the two great rival powers of the Pacific could be

averted "by a full and complete understanding between America and Japan," adding: "Such an agreement could nowhere arouse deeper satisfaction than in Great Britain, the sincere admirer and friend of both."

London on May 9 accorded to Prince Hirohito a tumultuous welcome. This was the first visit of a foreign dignitary to the English capital since 1914. Full honors of State were extended to the Japanese heir-apparent. Accompanied by the Prince of Wales, Prince Hirohito arrived at Victoria Station on a special train from Portsmouth and was greeted cordially by King George, the Duke of Connaught and the Duke of York. The King wore the uniform of a Field Marshal and the sash of the Japanese Order of the Rising Sun; the two Dukes were in naval uniform. The brilliant suite of British officialdom, which included Earl Curzon, Secretary for Foreign Affairs; Admiral Beatty, commander of the Grand Fleet; Sir Henry Wilson, Chief of the British Imperial Staff,

and the Lord Mayor of London, and the personnel of the Japanese Embassy in London stood at salute while the bands intoned the solemn strain of the Japanese national anthem. Through streets lined with cheering multitudes and cordoned with troops the Prince was finally driven off in a State carriage, where he sat side by side with the British King. The military escort and Household Cavalry rode into position at the rear of the royal coach, while the bands at the station played again the Japanese anthem. The dense throng of sightseers standing behind the cordon of troops sent forth stormy greetings, waving hundreds of handkerchiefs as the Prince rolled by. To all this welcome the Prince responded with salutes.

All the pre-war brilliance of great state functions was invoked at the state banquet at Buckingham Palace the same afternoon. One hundred and thirty distinguished guests sat at the banquet, which was held in the state ballroom. Besides many members of the royal family, Mr. Lloyd George, Earl Curzon, Mr. Balfour and Mr. Asquith were present. The German Ambassador also attended.

In toasting the royal guest, for whom Viscount Chinda, the former Japanese Ambassador to England, acted as interpreter, King George said that the visit was symbolic of the friendship which had so long united the two island empires. The King referred to England's economic, industrial and political difficulties quite frankly, saying: "Because Prince Hirohito is our friend we are not afraid for him to see our troubles. We know his sympathy with us and he will understand." Through Viscount Chinda, Prince Hirohito expressed his profound gratification at the warm welcome he had received and for the harmonious relations that united his country with England.

The Japanese Crown Prince might very well have replied to King George's frank confessions of domestic trouble by a similar confession on behalf of Japan. The present Ministry, headed by Premier Hara, still bears the brunt of the attacks of the Kenseikai, or Opposition Party, which have rained upon the Cabinet for months. The Kenseikai on April 8 passed a resolution declaring that the Hara Ministry had precipitated the empire into a political crisis "that has never been more dangerous" and had pursued a



HIROHITO SHINNO

Crown Prince of Japan, whose visit to England is unprecedented in Japanese annals
(Times Wide World Photos)

"retrogressive and disgraceful diplomatic policy, which has caused a complete loss of national prestige abroad, and a loose and injudicious internal policy, which has brought about popular unrest at home." Many cases of official corruption and irregularities were charged, and the Government was subjected to a new attack for its Siberian policy.

With regard to the difficulties with America, the Japanese Government has adopted a waiting policy. The whole matter of Japanese immigration and civic rights will come again to the fore when the new immigration treaty with the United States is completed and published. As for the dispute over the Island of Yap, the Diplomatic Advisory Council on April 22 approved the attitude of the Cabinet on the whole mandate question. According to the *Nichi-Nichi*, the Cabinet had decided to stand firm on its policy that as the Allies themselves had

allocated Yap to Japan her rights were beyond question. Discussions were still continuing between the United States and the Allies on America's objections to this mandate. Meanwhile the Cabinet decided on April 27 to place Yap—as well as the other former German islands given to Japan—under a civil administration, subject, however, to the control of the Ministry of Marine. Through April and May many official and semi-official personages took occasion to disclaim the charge that Japan entertained any warlike intentions. The navy increase was attributed merely to Japan's need of adequate defense, in view of Japan's new position as an island power in the Pacific. Official information was received in Washington toward the end of April that the Japanese conscription laws had been made more rigid and had been extended to Japanese residents in the Philippines, the East Indies and the South Sea.

MEXICO'S PROSPECTS OF RECOGNITION

President Obregon's policy opposed by the Mexican Congress and Supreme Court, the hitch being over the constitutional article limiting subsoil rights of foreigners—Overwhelming predominance of trade with United States

[PERIOD ENDED MAY 15, 1921]

IT was announced in Washington on May 10 that the Administration's Mexican policy had been determined, but that the President and Secretary Hughes were not ready to make it public. The indications were that there would be an exchange of notes, serving as a basis for recognition, in which Mexico would acknowledge its intention to satisfy international obligations and protect American rights and interests. There will be no demand for a treaty containing guarantees to alter Article XXVII. of the Mexican Constitution, such as Secretary Fall desired.

George T. Summerlin, American Chargé d'Affaires in Mexico City, was summoned to Washington by the State Department, and arrived there on April 18, to confer regarding the situation. President Obregon has shown a disposition to reconcile differences, but the Mexican Congress apparently is in no hurry to follow his lead. It is considering the amendment or interpretation of Ar-

ticle XXVII. of the Constitution, relating to subsoil rights of aliens, under which American oil companies fear confiscation, and there is an appeal before the Mexican Supreme Court by American interests growing out of Carranza's virtual seizure of certain oil properties under the authority of Article XXVII. But President Obregon cannot coerce either Congress or the Supreme Court unless he sets up as a dictator.

Great Britain's position was explained in the House of Commons on May 5 by Cecil Harmsworth, in reply to Major Christopher Lowther, who urged recognition on the ground that Mexico would never become stable until it was granted. Mr. Harmsworth admitted that recognition would be an advantage both to Mexico and to Great Britain, but regretted to say that reports reaching the Government of the lack of security and stability still existing in Mexico rendered it impossible. The Foreign Office, he added, fully realized the disadvantage

of the present position, and would gladly accord recognition to Mexico whenever that became possible. It was officially announced at Mexico City on May 11 that Austria had formally recognized the Obregon Government.

Señor Urquidi, in charge of the Mexican Legation in London, on April 19 gave out a statement on the authority of President Obregon concerning Mexico's foreign policy. Its principal points were: A hearty welcome to all business men, restitution of property commandeered by previous Governments, guarantees for the protection of Mexicans and foreigners against attacks on their lives and property, and a series of extra sessions of Congress to inaugurate legal reforms. With reference to oil, it was stated to be the intention of the Government that the new regulations should not embody anything of a confiscatory nature, and that they should not receive a retroactive interpretation.

One of the consequences of delayed recognition is a revival of revolutionary talk, and of incipient uprisings which had been quickly suppressed. General Murguia succeeded in crossing the border with twenty-two men, and was completely routed. Benjamin Garza, his second in command, surrendered after being wounded in a fight. Esteban Cantu, who was removed a few months ago from his position as Governor of Lower California, invaded Tia Juana with a small band of followers early on the morning of May 3, firing volleys at the jail and several buildings, but no one was wounded.

President Obregon's orders to show no mercy to rebels are being carried out. Sanchez de Castillo faced a firing squad on April 28 at Monterey, after conviction by court-martial, and José Moreno and Antonio Alderete were shot on April 29, following their capture near Nuevo Loredo by Federal forces operating in the State of Tamaulipas. Troops were pursuing a small rebel band headed by Daniel Ruiz, which raided the village of Villapuato, in the State of Michoacan, on April 24.

Fifteen Mexican bandits held up officials of the Atlantic Gulf and West Indies Oil Company and obtained about 130,000 pesos in Mexican gold near Tampico on April 21, according to advices from that city. Ten persons were killed, including two of the bandits. The money, intended for payment

of employes, was being taken in an automobile for transport to the southern fields in charge of the assistant paymaster, Salvador Davalos, and his brother, Trinidad, guarded by six Mexican soldiers. Two miles from Tampico the party was stopped by a wagon blocking the road, and the bandits opened fire from ambush. Trinidad Davalos, five soldiers, two chauffeurs and two bandits were killed. The paymaster, the remaining soldier and two bandits were wounded. Federal troops were sent in pursuit of the dozen robbers, who fled.

Linn Gale, the American agitator and draft evader, who was deported to Guatemala on account of his Bolshevik activities, is in the hands of the United States authorities. Guatemala had refused to receive him, so the Mexican officials sent him back to Laredo, Texas, where he arrived on April 22, and was turned over by immigration officials to the military authorities at Fort McIntosh. Another agitator, James Clifton, said to be an American, was expelled from Mexico on April 29 as a "pernicious foreigner."

Despite political uprisings and predatory crimes, President Obregon is making honest efforts to rehabilitate Mexico in the eyes of the world by arranging to pay the interest on Mexico's foreign debt, preparatory to refunding the principal. To that end representatives of foreign banking houses were invited, on April 16, to go to Mexico and offer advice and suggestions how this is to be done. President Obregon is said to have assumed personal charge of this phase of the financial situation, but his efforts, according to Wall Street reports, were coldly received by New York financiers.

Mexico's external debts aggregate some \$125,000,000, divided as follows: Five per cents. of 1899, outstanding, \$46,448,000, defaulted July 1, 1914, accumulated interest, 31¼ per cent.; 4 per cents. of 1904, outstanding, \$37,037,500, defaulted June 1, 1914, accumulated interest 26 per cent., and the consolidated 3 per cent. silver bonds of 1886, outstanding, \$42,915,825, defaulted June 30, 1914, accumulated interest 19½ per cent. Besides these there are \$96,615,100 outstanding in 5 per cent. internal redeemable bonds and the following bonds of the National Railways of Mexico: Prior lien, 4½ per cents., \$84,804,115; sinking fund gold 5s,

\$50,748,575; prior lien gold $4\frac{1}{2}$ per cents., \$23,000,000, and consolidated gold 4 per cents., \$27,740,000. All the latter also defaulted in 1914.

The total direct indebtedness of the Mexican Government is thus about \$500,000,000, including defaulted interest of about \$100,000,000. In addition to the report that payment of this interest would begin very soon, it was also stated that the Mexican Government was about to start purchases of railroad equipment for the use of its State line, the National Railways of Mexico. An order for ninety-one locomotives for immediate delivery was placed in the United States.

Another evidence of President Obregon's good-will is his executive order, made public on April 28, for the return of all properties seized by former Governments in the States of Coahuila, Chihuahua, Nuevo Leon and Tamaulipas. His only conditions were that irrigation and land development projects under way when the properties were abandoned be resumed, and that Mexican labor be employed. The properties owned by the Mormons in the State of Chihuahua were to be returned at once. Other Americans will receive their land on proof of ownership. The Mexican Investment Company announced that it would begin immediately

the development of its property. The company previously had derived its sole income from royalties from land which it had leased. Simultaneously with this order, President Obregon directed final payment of 500,000 pesos to the former owners of the ranch, in the State of Durango, presented to Francisco Villa on his retirement from a career of banditry.

Mexico's reconstructive measures have naturally had a great effect on her foreign trade. With the country quiet, except the minor disturbances in the north already mentioned, Mexicans have been able to buy more from abroad, and it is estimated that during the present fiscal year exports from the United States will have more than doubled, reaching a probable total of \$280,000,000. Imports into the United States from Mexico have also gained, rising from about \$75,000,000 a year before 1918 to about \$170,000,000 at present. Petroleum is the biggest factor of Mexico's exports, and the advantage to the United States is seen in her enormous purchases of machinery and materials for that industry. The United States now supplies 85 per cent. of Mexico's imports and takes 95 per cent. of her exports. Every effort is being made to hold and extend this large trade.

PANAMA STILL HOSTILE TO COSTA RICA

United States insists on settlement of the boundary dispute on the basis of the White award—Nicaragua withdraws from the League of Nations

[PERIOD ENDED MAY 15, 1921]

WAR between Panama and Costa Rica would not be tolerated by the United States, it was authoritatively asserted in Washington on April 18; both Governments had been informed that Panama's refusal to accept the White award must not be made the basis for a renewal of hostilities. This was followed on May 2 by the presentation of a note from Secretary Hughes to the Government of Panama, stating that unless Panama took steps promptly to settle the Costa Rican boundary dispute in strict accordance with the White and Loubat awards, the United States would take such steps as were necessary to give effect to the physical establishment of the boundary line. The

note was a virtual ultimatum, but set no time limit.

The theory of the State Department is that, as the United States is bound by treaty to protect the independence and territorial integrity of Panama, it must not permit Panama to stir up trouble by arbitrarily extending sovereignty over territory in the possession of which the United States would by no means be bound to protect her. The protecting Government cannot guarantee the integrity of a country with a shifting boundary line depending upon the caprice of the Government protected.

President Porras, on May 3, stated that Secretary Hughes's note had not changed

the attitude of Panama, which still refused to accede to the American ultimatum demanding acceptance of the White award within a reasonable time. A reply was received in Washington on May 7, but not of a nature to change the situation. It was indicated on May 9 that the United States might be compelled to use force to restore to Costa Rica the territory occupied by Panama in defiance of the White award.

It was authoritatively indicated at Washington on May 12, however, that Panama would be given a reasonable time in which to act voluntarily in accordance with her treaty agreements, and that no action would be taken by the United States Government on May 16, the day marking the expiration of two weeks after Secretary Hughes's formal warning.

Tomas A. Le Breton, Argentine Ambassador to the United States, has been authorized to accept appointment as arbitrator of financial claims pending between American citizens and the Government of Panama, according to a dispatch from Buenos Aires, of April 27.

COSTA RICA

The United States, on April 19, sent a note to Great Britain denying that it had directed the American Consul at San José to have Costa Rica cancel the Amory oil concession several months before it was annulled. The State Department, it was asserted, had never recognized any concession granted by the usurping Tinoco régime. The note sent to London is reported to have added this declaration:

Nevertheless, it is difficult to perceive how any such action during the period prior to annulment of the concession would furnish

necessarily an occasion for justifiable criticism on the part of his Majesty's Government.

The fact that British capital was invested in the concession, though it was reputed to be American, was not known until just before it was annulled.

The first discovery of natural gas in Central America was reported on May 10 from territory near Puerto Limon, on the east coast. Natural gas was said to be escaping from the earth in large quantities at Cahuita, where drilling for oil was in progress.

NICARAGUA

A dispatch from Managua, April 23, stated that Nicaragua had given up its membership in the League of Nations, owing to the expense involved. The Nicaraguan Government was indebted \$47,000 for a year's membership.

A new Atlantic port was opened on May 1 for the export of cattle to Cuba. There has recently been a large increase in Nicaragua in the breeding of cattle for export.

GUATEMALA

Guadalupe Cabrera, the 18-year-old daughter of former President Cabrera, was reported on May 9 to have killed herself by shooting, in order to call the world's attention to the fact that the Guatemalan Government had not fulfilled its pledge, signed at the American Legation, guaranteeing Cabrera's life, liberty and property. The facts were cabled to Washington, where it was stated on May 9 that the Harding Administration was taking steps to obtain the release of the former Guatemalan dictator.

BELGIUM'S QUEEN AS A VOTER

QUEEN ELIZABETH stood in line and voted at the municipal election in Brussels on April 24, and women voted for the first time generally throughout Belgium. The Clericals made considerable progress in the big cities, such as Brussels, Antwerp and Ghent, at the expense of the Socialists.

The latter held their own in the industrial

districts, and the Liberals remained stationary. The number of women who registered exceeded the men by 700,000, but there were only a few women candidates. Burgomaster Max was re-elected in Brussels. He was designated by the Council of Ministers to head a Belgian delegation to Washington to congratulate the President upon his election.

SOUTH AMERICA TURNING AGAIN TO EUROPE

Great Britain taking over the South American passenger trade which the United States had held through the war years—Heavy German migration to Brazil—Vast project of the Krupps in Chile—Argentina compels port workers to unload an American vessel

[PERIOD ENDED MAY 15, 1921]

SOUTH AMERICAN passenger trade, which during the war fell into American hands through acquiring German vessels, has been recovered in large part by Great Britain, according to Sir Owen Philipps, head of the British shipping trust. This, he says, is because the German ships taken over, though fast, were constructed for North Atlantic trade and were unfit for service in hot climates. Another reason was the severity of the American prohibition laws, which cause Latin Americans to prefer British lines. As long as such conditions exist, he declares, there is no prospect that the United States will recover supremacy in the South American passenger trade.

Great Britain is also reaffirming her hold on a land where British interests control more than 15,000 miles of railroads. On the eight systems concerned net profits during 1920 exceeded those of 1919, despite large increases in wages.

ARGENTINA

For forty days an American vessel, the Shipping Board steamer *Martha Washington*, chartered by the Munson Line, was held up in the port of Buenos Aires by a boycott of union port workers, who refused to allow the ship to be unloaded. The union had demanded the discharge of fourteen firemen on the ground of illness, but the company declined, refusing to recognize the union's right to interfere. Then the boycott began, which involved the Argentine Foreign Office, the American Consul and Ambassador, and finally the State Department at Washington. The United States held the Argentine Government responsible. The Ambassador demanded that Argentina either require the union to unload the vessel or afford protection to free labor to do it. He said the *Martha Washington* would remain ten, twenty or thirty

years in port before the United States would yield to the demand of a labor union which had no right to intervene in a controversy between the Captain of an American ship and its crew. Meanwhile European lines protested against the exactions of the port workers, and threats were made to drop Buenos Aires as a port of call. The United States refused to join in such a move or to accept the offer of an organization of employers to furnish non-union labor which, under armed protection, would unload the vessel. Washington refused to join private interests, throwing the entire settlement on Argentina.

On May 9 the port workers struck and said they would not return until assurances had been given that the Labor Protective Association of Employers would not be permitted to work. The police and Argentine marines took charge of the docks and maintained a lockout of both union and non-union men. After three days the unions yielded and agreed to lift the boycott on the *Martha Washington*, thus ending the international incident.

Two bombs were thrown in Buenos Aires on May Day in an attempt to blow up a railway bridge. Anarchists charged a patriotic parade in the province of Entre Rios, which caused a riot, five persons being killed and twenty wounded.

Argentina on May 12 sent an official communication to the Secretariat of the League of Nations on amendments offered last November by Honorio Pueyrredon, the Argentine Foreign Minister, showing that Argentina continues to consider herself a member of the League.

BOLIVIA

A contract has been signed with an American firm for the construction of a railway from La Quiaca, on the Argentine border, to Otocha, completing the link

needed to give La Paz an all-rail route to Buenos Aires.

A new Bolivian Cabinet took office on May 13, with the following personnel:

Foreign Minister.....Alberto Gutierrez
Minister of Interior.....Abdon Saavedra
Minister of Finance.....Jose Estensoro
Minister of Public Instruction..Jaime Freyre
Minister of Public Works.....Roman Pan
Minister of War.....Pastorbal Divieso

Dr. Gutierrez is a diplomat of long experience. In 1903 he was Secretary of the Bolivian Legation in Washington for a short time. He has been twice Minister from his Government to Chile. He has also been Minister of Bolivia to Brazil, Ecuador, Colombia and Venezuela. In 1915-1916 he was the official delegate from Bolivia to the second Pan-American Scientific Congress at Washington, and became Minister of Foreign Relations of Bolivia Dec. 17, 1918, resigning from that post on March 15, 1919. He has traveled extensively in Europe.

BRAZIL

The centenary of Brazilian independence will be celebrated on Sept. 7, 1922, and preparations are being made for it. Americans resident in Brazil propose to construct a memorial building as the gift of the United States. The Brazilian Automobile Association proposes to hold an automobile exhibition at the same time.

A Brazilian-American Chamber of Commerce has been formed in New York to include business men and diplomatists interested in Brazilian trades. Brazil's Congress opened on May 3 with a downward revision of the tariff as the chief subject to be considered. A loan for \$25,000,000 floated in the United States is intended to be used to electrify about 225 kilometers of the state railway in the direction of Sao Paulo. In a tiny glass cylinder inserted in one of lead 357 milligrams of radium were shipped to Brazil by the Radio Chemical Corporation early in May as part of an order for 557 milligrams, or slightly more than half a gram. The shipment was valued at \$65,000.

Brazil is anticipating a great influx of immigrants this year, among them 30,000 Italians. Germans also are arriving in large numbers. Recently the steamship Pocone arrived from Hamburg with 1,149 passengers, practically all immigrants.

CHILE

Profiteering by owners of nitrate fields in Chile was so extensive during the war and their desire to maintain prices was so tenacious that the natural result of a falling off in orders has followed. As a consequence there has been stagnation in trade in the northern district, unemployment among the nitrate workers, strikes among the longshoremen and heavy losses to steamship companies. It is even feared that Antofagasta may lose most of its shipping business. President Alessandri in a message to Congress urged the nationalization of sales of nitrate, which the State intends to sell abroad, paying the cost of freights and dividing the profits with the producers, suppressing the export duty. He also suggested a progressive tax on rents, increased taxes on luxuries and the introduction of new labor legislation.

Details of the Krupps concession in Chile show that it is much more extensive than supposed, consisting of nearly 500,000 acres of virgin forest land in the Province of Llanquihue, covered with gigantic trees. In addition the Krupps purchased from Enrique Gonzalez his great Pleito and Zapallo mines in the Provinces of Coquimbo and Atacama for the sum of \$10,000,000, according to Santiago newspapers. The Krupps propose to establish at the foot of the Calbuco Volcano their principal works, which will dwarf those at Essen. Here they may evade the provision in the Versailles Treaty against the manufacture of arms in Germany by carrying it on abroad. Many Chileans have already protested against the alienation of much territory and against the purposes for which it will be used by a concern so closely affiliated with the German Government.

President Alessandri of Chile has accepted the resignations of Señor Carlos Silva Cruz, Minister of War, and Señor Daniel Martner, Minister of Finance, and has appointed to succeed them Señor Enrique Balmaceda and Señor Enrique Oyarzun, Chairman of the Committee on War and Finance of the Chamber of Deputies. Señor Silva Cruz resigned from the post of Minister of War because of his poor health.

COLOMBIA

By a vote of 69 to 19 the United States Senate on April 20 ratified the Colombian

treaty, agreeing to pay \$25,000,000 for the loss of Panama and giving Colombia free passage through the Panama Canal. The debate, which lasted several days, was very bitter. President Harding himself and many Republicans who supported his request for ratification had opposed it when President Wilson asked for it, and some ingenuity was needed by the Administration to give an explanation of the altered policy. In 1917 Senators Lodge, McCumber, Brandegee, Fall and Borah called the treaty a "blackmail document." It was charged during the debate that oil interests, expecting concessions in Colombia, were back of the ratification. It was stated that the fight would be renewed when Congress is asked to appropriate the \$25,000,000 authorized. [The text of the treaty, with further details, will be found on Pages 541-3.]

The Swiss Federal Council, on May 10, agreed to arbitrate the long-standing boundary dispute between Colombia and Venezuela. Swiss engineers are to visit South America and make surveys in both countries.

PARAGUAY

Protests have been made to La Paz by the Government of Paraguay against the recent erection of forts by Bolivia and the garrisoning of troops near the territory known as the Paraguayan Grand Chaco, the boundaries of which have long been a subject of dispute between the two countries. The disputed territory is nearly as large as California, and oil is said to have been recently discovered there. The Bolivian Chargé d'Affaires in Buenos Aires denies any threat is intended. He says the forts are 150 miles from the disputed zone and the garrisons are for police duty.

PERU

President Leguia of Peru is reported to have set up a dictatorship and deported many political opponents of his policy since his seizure of the Presidency in July, 1919. He is said to have insisted on "revising" decisions of the Supreme Court and to have imprisoned Senators, Deputies, newspaper men, army officers and others on San Lorenzo Island. The San Marcos University was closed in March and many students were wounded in a pitched battle with the police in the streets of Lima. The Prensa,

which reported the trouble, was seized and turned into a Government organ, strict censorship on telegraph and mail prevented the news from getting out. On May 11 several prominent Peruvians, who had been detained for political reasons, were placed aboard the Peruvian line steamship Paita at Callao for deportation. Among them were General Oscar Benavides, former President of the republic; Senator Miguel Grau, two former Cabinet members and several former Deputies.

The Marconi Wireless Telegraph Company, Ltd., of London, on May 1, took over the Peruvian wireless, postal and telegraphic services. The concession was for twenty-five years. The Marconi Company agrees to advance the funds for the reorganization of the services, which had been operated at a loss. The State Department made the award the basis for representations, according to a Washington dispatch of May 14, but their nature was not disclosed.

URUGUAY

A decree was published on April 6, prohibiting the landing of animals in Uruguay that have been exported from the United States and brought by steamers that have called at Brazilian ports, owing to reported cases of cattle plague in Brazil. This was extended to cattle coming from Europe, particularly France, Belgium and Holland. The quarantine is very strict, as one instance shows: Miss Muriel Corneille of New York arrived at Montevideo on April 26 with a pet dog, which the authorities ordered killed; she saved its life by returning without leaving the vessel.

VENEZUELA

Esteban Gil Borges, Foreign Minister of Venezuela, arrived in New York on April 11 at the head of a mission to present a statue of Simon Bolivar, South American liberator, to the City of New York, which was unveiled in Central Park on April 18. President Harding made an address favoring closer relations between the United States and Latin America, the evident sincerity of which was commented upon favorably by the South American newspapers. The delegates gave a reception to Secretary and Mrs. Hughes in Washington on April 22. Georgetown University conferred the degree of Doctor of Laws on Dr. Gil Borges.

Petroleum possibilities of Venezuela are described in the South American Journal, of London, which says that the Caribbean coast from the mouth of the Magdalena to the great lagoon of Maracaibo is an undoubtedly promising oil field, practically a virgin territory. Two American companies have acquired large concessions there. The Maracaibo Oil Exploration Corporation has

approximately 1,000,000 acres of leaseholds and has entered into a working agreement with the Standard Oil Company of New Jersey to finance and superintend the development of its properties for one-half interest.

Caracas, the Venezuelan capital, has a population of 92,212 according to the census of 1920.

EVENTS IN THE WEST INDIES

The Cuban Presidency dispute settled—Personnel of the new Cabinet—Protest from Haitians—Santo Domingo's New Governor—Spanish protests against American occupation—In the British West Indies

[PERIOD ENDED MAY 15, 1921]

GENERAL JOSE MIGUEL having abandoned his ambition to be President of Cuba after a talk with Secretary Hughes in Washington on April 14, there remained little doubt that Dr. Alfredo Zayas would be inaugurated on the day set, May 20. The followers of Gomez in Congress ceased their opposition, and President Menocal, who was supposed to favor Gomez, made arrangements for an extended tour in Europe, accompanied by his wife and daughter, immediately after his term ends.

Dr. Zayas on May 10 announced his selections for the new Cabinet as follows: Secretary of the Presidency, Dr. José Manuel Cortina; Secretary of State, Dr. Rafael Montoro; Government, Dr. Francisco Martinez Lufriu; Treasury, Sebastien Gelabert; Sanitation, Dr. Juan Guiteras; Public Works, Orlando Freyre; Justice, Dr. Erasmo Regueiferos; Public Instruction, Dr. Francisco Zayas y Alfonso, a brother of the President-elect, and War and Navy, Dr. Demetrio Castillo Duany. The post of Secretary of Agriculture had not at that time been filled. Dr. Guiteras, head of the Health Department, is well known in the United States for his medical research work. Señor Gelabert is a financier and banker who has not been active in politics.

It was stated that Dr. Zayas was intending on taking office to begin negotiations for the modification of the commercial treaty with the United States.

Antonio C. Gonzalez, one of the early

Cuban patriots, died in New York on April 25. He was born in 1844 and when 21 years old gave liberty to the slaves which his father had left him. As a result, the Spanish Government confiscated his property and sentenced him to death. He was smuggled into the United States, studied law and was admitted to the bar in 1880.

Cuban conditions have been rapidly improving and there is a gradual restoration of confidence. A clearing house was organized and began business on April 25. All the solvent Cuban banks joined as well as various foreign branches. Arrangements for assisting in financing the Cuban sugar crop have been completed by two New York banks and one Canadian, and acceptances for more than \$500,000 have been drawn, secured by sugar in Cuban warehouses. Exports to the United States in April and May were largely increased in anticipation of the proposed American tariff. Government mediators succeeded in settling a serious strike on the Cuban railway companies' lines in the eastern part of the island by a compromise, and traffic was resumed on May 8.

Chess players the world over have been watching with interest the series of games played in Havana between José Capablanca, the youthful Cuban, and Emanuel Lasker, the aged German master, which ended on April 26 in four games won by Capablanca and ten drawn, out of the proposed series of 24, Lasker declining to finish and conced-

ing to his opponent the title of chess champion of the world. Lasker sailed for Spain on April 30.

HAITI

Three Haitian delegates in Washington on May 8 made public a memorial to be presented to President Harding, the State Department and Congress, demanding the withdrawal of the United States military forces. They charge a long series of atrocities by American marines and the native gendarmerie, including administration of the "water cure" and other tortures by Americans and the commission of numberless abominable crimes, of which 25 cases with names and dates are given in the memorial. It is charged that \$500,000 of Haitian Government funds were carried off to New York, to cripple the Treasury; that the Legislature was dispersed by a body of marines; that ratification of the Constitution of 1918 was obtained by duress and that 9,475 Haitians died in American prison camps in three years. The accusations are practically a repetition of the charges made by General Barnett and other officials and made public by the National Association for the Advancement of Colored People. They were investigated last year by a naval court, which found that they were "ill-considered and regrettable." The controversy was published in detail in *CURRENT HISTORY* for November, December, January and February. The Haitian delegates characterize the naval inquiry as a joke. Secretary of the Navy Denby, who visited Haiti to see for himself, characterized the Haitians' complaints as "the same old rot."

SANTO DOMINGO

From Spain on April 15 came a protest against continued occupation of Santo Domingo by United States troops. It was addressed to President Harding and was signed by the former Premier, Count Romanones; the former Minister of Public Works, Francisco Cambon; Professor Miguel Unanurno of Salamanca University, and others. Argentina and most of the Latin-American republics also were understood to be preparing protests.

Announcement was made in Washington on April 15 that the United States was seeking an orderly and careful method of

withdrawing its marines from Santo Domingo which would satisfy the nationalists and at the same time protect the interests of the United States and other foreign Governments.

Read Admiral S. S. Robison, commanding the Boston Navy Yard and Station, was detailed May 13 to be Military Governor of Santo Domingo. He will relieve Rear Admiral Thomas Snowden, who reaches retirement age this Summer. Captain George Brown Jr., Supply Corps, Navy Department, was ordered on duty as fleet paymaster, Atlantic fleet.

PORTO RICO

E. Mont Reily, a Kansas City business man, was nominated by President Harding May 6 and confirmed May 11 by the Senate to be Governor of Porto Rico. Mr. Reily has been active in Missouri politics during several campaigns. In 1912 he was a supporter of the Roosevelt Progressive Party and during the pre-convention campaign last year was an active worker for the nomination of Mr. Harding.

BRITISH WEST INDIES

A dispatch from Kingston, dated May 4, said that discussion was continuing there on the suggestion of the annexation of the British West Indies to the United States in settlement of the war debt of Great Britain. It is stated that the British islands have not made as much industrial progress as those under care of the United States. West Indian federation was being suggested as an alternative to American annexation. The latter has very little support either in the West Indies or in Great Britain. One of its most vigorous opponents is the Prince of Wales, who is expected to express himself at the annual banquet in June of the West India Committee, an association of persons interested in West Indian trade which is 200 years old but was only incorporated in 1904.

BAHAMAS

Development of the harbor of Nassau has been authorized by the Bahamas Legislature at an estimated cost of \$1,250,000, half of which will be raised by a loan. The project calls for a depth of 35 feet and a channel 300 feet wide to the inner harbor.

BARBADOS

The trade of Barbados with the United States more than tripled in 1920, amounting to \$2,107,513, as compared with \$681,263 in the previous year, owing to the shipment of 8,488,000 pounds of sugar.

BERMUDA

Renewed efforts have been made in the

Bermuda Assembly to permit the use of automobiles in the islands. One was imported in the early days of motoring, but the Legislature declared it to be dangerous, passed a law forbidding the importation of any more, bought the offending machine from its owner and deported it. As the islands have little more than nineteen square miles of area, visitors do not regard automobiles as necessary.

THE COLOMBIAN TREATY RATIFIED

THE treaty by which the United States granted to Colombia \$25,000,000 damages for the Panama Canal episode was ratified by the Senate on April 20, 1921, by a vote of 69 to 19. Only fifty-seven votes were required to cover the prescribed two-thirds of all votes cast. The opposition vote was recorded by fifteen Republican Senators and four Democrats. The treaty as ratified was practically the same as the draft submitted to the Senate by President Wilson in 1914, except for the elimination of the article expressing regret that anything should have occurred to mar the cordial relations between the United States and Colombia, and a few minor amendments. The main differences brought by the latter are as follows:

When submitted by President Wilson the treaty called for the payment of the entire \$25,000,000 agreed to by the United States as compensation for the loss of Panama within six months following the exchange of ratifications. As amended, \$5,000,000 will be paid in six months, and the remaining \$20,000,000 in four annual instalments of \$5,000,000 each.

The same rights are accorded to Colombia in respect to the interoceanic canal and the Panama Railway as in the original treaty, with the exception that an amendment was incorporated in the treaty as passed proclaiming that the title of the Panama Railway and of the Canal is now "vested entirely in the United States of America without any encumbrances or indemnities whatsoever."

All Colombian products and mails passing through the canal are to be exempt from duties other than those to which the products and mills of the United States are subject. Colombian cattle, provisions and salt are to be admitted to the Canal Zone on an equality basis with those of American ownership. Colombian citizens are ex-

empted from all tolls, taxes and duties on an equality basis with citizens of the United States. Colombia receives the same right to transport troops, war materials, products of the soil and mails over the lines of the Panama Railway as that now enjoyed by the United States. The clause added in the original treaty, "even in case of war between Colombia and another country," was eliminated from the treaty as ratified. Colombia recognizes formally for the first time the complete independence of the Republic of Panama.

Some idea of the efforts required to achieve this treaty's ultimate passage may be derived from the following record:

April 6, 1914—Signed at Bogota.

June 16, 1914—Transmitted to the Senate for ratification by President Wilson. Referred to the Committee on Foreign Relations.

June 18, 1914—Injunction of secrecy removed.

July 15, 1914—Resolution for public hearings introduced by Senator Borah.

Dec. 16, 1915—Again referred to Committee on Foreign Relations.

Feb. 3, 1916—Again reported to the Senate.

March 8, 1917—Again referred to Committee on Foreign Relations.

March 14, 1917—Reported by Senator Stone with amendments.

March 15, 1917—Motion to consider in open session defeated.

March 16, 1917—Further consideration postponed.

April 16, 1917—Called for consideration and again postponed.

May 29, 1919—Again referred to the Committee on Foreign Relations.

July 2, 1919—Reported with amendments.

Aug. 7, 1919—Motion of Senator Lodge referred back to the Committee on Foreign Relations.

Aug. 8, 1919—Referred to subcommittee.

June 3, 1920—Reported to the Senate and ordered printed.

March 9, 1921—President Harding, in a message, urged ratification.

April 20, 1921—Ratified by the Senate by vote of 69 to 19.

The most active opponent was Senator Borah, who declared that ratification of the treaty, in its present form, would be notice to the world that the Senate admitted and confirmed the charge "that Theodore Roosevelt stole Panama." The payment of this \$25,000,000, declared Senator Borah, meant that Roosevelt and John Hay, in consummating this "brilliant achievement," had "acted iniquitously." On this basis the Senator from Idaho refused to vote for ratification, and insisted on the inclusion of an amendment explicitly stating as follows:

That neither said payment nor anything contained in this treaty shall be taken or regarded as an admission that the secession of Panama in November, 1903, was in any way aided or abetted by the United States of America, its agents or representatives, or that said Government in any way violated its obligations to Colombia.

After a bitter fight, this amendment, like several urged by Senator Ransdell, was rejected.

The text of the treaty as passed is given herewith:

The United States of America and the Republic of Colombia, being desirous to remove all the misunderstandings growing out of the political events in Panama in November, 1903; to restore the cordial friendship that formerly characterized the relations between the two countries, and also to define and regulate their rights and interests in respect of the interoceanic canal, which the Government of the United States has constructed across the Isthmus of Panama, have resolved for this purpose to conclude a treaty, and have accordingly appointed as their plenipotentiaries:

Who, after communicating to each other their respective full powers, which were found to be in due and proper form, have agreed upon the following:

ARTICLE I.—The Republic of Colombia shall enjoy the following rights in respect to the interoceanic canal and the Panama Railway, the title to which is now vested entirely and absolutely in the United States of America, without any encumbrances or indemnities whatever:

1. The Republic of Colombia shall be at liberty at all times to transport through the interoceanic canal its troops, materials of war and ships of war, without paying any charges to the United States.

2. The products of the soil and industry of Colombia passing through the canal, as well as the Colombian mails, shall be exempt from any charge or duty other than those in which the products and mails of

the United States may be subject. The products of the soil and industry of Colombia, such as cattle, salt and provisions, shall be admitted to entry in the Canal Zone, and likewise in the islands and mainland occupied by the United States as auxiliary and accessory thereto, without paying other duties or charges than those payable by similar products of the United States.

3. Colombian citizens crossing the Canal Zone shall, upon production of paper proof of their nationality, be exempt from every toll, tax or duty to which citizens of the United States are not subject.

4. Whenever traffic by the Canal is interrupted or whenever it shall be necessary for any other reason to use the railway, the troops, materials of war, products and mails of the Republic of Colombia, as above mentioned, shall be transported on the railway between Ancon and Cristobal or on any other railway substituted therefor, paying only the same charges and duties as are imposed upon the troops, materials of war, products and mails of the United States. The officers, agents and employes of the Government of Colombia shall, upon production of proper proof of their official character or their employment, also be entitled to passage on the said railway on the same terms as officers, agents and employes of the Government of the United States.

5. Coal, petroleum and sea salt, being the products of Colombia, for Colombian consumption, passing from the Atlantic Coast of Colombia to any Colombian port on the Pacific Coast, and vice versa, shall, whenever traffic by the canal is interrupted, be transported over the aforesaid railway free of any charge except the actual cost of handling and transportation, which shall not in any case exceed one-half of the ordinary freight charges levied upon similar products of the United States passing over the railway and in transit from one port to another of the United States.

ARTICLE II.—The Government of the United States of America agrees to pay at the City of Washington to the Republic of Colombia the sum of twenty-five million dollars, gold, United States money, as follows: The sum of five million dollars shall be paid within six months after the exchange of ratifications of the present treaty, and reckoning from the date of that payment, the remaining twenty million dollars shall be paid in four annual instalments of five million dollars each.

ARTICLE III.—The Republic of Colombia recognizes Panama as an independent nation and taking as a basis the Colombian law of June 9, 1855, agrees that the boundary shall be the following: From Cape Tiburon to the headwaters of the Río de la Miel and following the mountain chain by the ridge of Gandi to the Sierra de Chugargun and that of Mali going down by the ridges of Nigue to the heights of Aspave and from thence to a

point on the Pacific half way between Colcalito and La Arvita.

In consideration of this recognition, the Government of the United States will, immediately after the exchange of the ratifications of the present treaty, take the necessary steps in order to obtain from the Government of Panama the dispatch of a duly accredited agent to negotiate and conclude with the Government of Colombia a Treaty of Peace and Friendship with a view to bring about both the establishment of regular diplomatic relations between Colombia and Panama and the adjustment of all questions of

pecuniary liability as between the two countries, in accordance with recognized principles of law and precedents.

ARTICLE IV.—The present treaty shall be approved and ratified by the high contracting parties in conformity with their respective laws, and the ratifications thereof shall be exchanged in the City of Bogota as soon as may be possible.

In faith whereof, the said plenipotentiaries have signed the present treaty in duplicate and have hereunto affixed their respective seals.

SWEDEN AND THE ALAND AWARD

The Aland Islands to have home rule under Finnish suzerainty, with guarantees for Swedish interests, according to a recommendation of the Aland Commission of the League of Nations—Sweden refuses to consider the judgment as final

[PERIOD ENDED MAY 15, 1921]

GREAT excitement was manifested in all the Swedish press over the announcement from Geneva, on May 10, that the commission appointed by the League of Nations to examine the question whether the Aland Islands in the Baltic should belong to Sweden or Finland had found for the latter country. Keen disappointment and indignation greeted the report everywhere, with expression of the hope that the League would refuse to adopt the recommendation. Should it sanction the report, according to Tidningen (Stockholm), it would deal the deathblow to Sweden's confidence in the will of the League and its power to uphold justice in the world. The Swedish Government was said not to consider the commission's report as of decisive importance in the ultimate solution of the Aland question, and would energetically urge the League Council to let the Alanders decide their nationality by a plebiscite.

In the course of its 36,000-word report the commission stated that the Aland Islands form a part of the self-governing State of Finland, and that, though a plebiscite there would undoubtedly favor Sweden, it is questionable whether any one had the right to take them away from Finland. The desire of the Alanders to join Sweden was found to be mainly due to their anxiety to maintain their Swedish language and

culture. As Finland is ready to grant satisfactory guarantees to the Alanders, the commission urged that it would be unjust to deprive Finland of the islands. Furthermore, the Aland population is too small to stand alone, and the islands are in other ways hardly capable of surviving as an independent State.

Therefore, the commission recommends that the Alands remain under Finland, but that Finland grant certain linguistic, cultural and trade guarantees to the Swedish population of the archipelago. Instruction is to be given only in Swedish in the primary and technical schools. The Alanders must have the right of redemption in case lands are purchased by any foreign person or company. Owing to the value of the shipping and harbor advantages, Finnish companies will surely wish to establish shipbuilding yards in the islands. In the unlikely case that Finland should refuse to grant these guarantees, and to protect the Alanders against the Fennoman movement, the commission thinks the only possible solution would be a separation of the islands from Finland by means of a plebiscite. This solution, however, the commission desires to avoid.

The commission recommends that the Alanders should have the right to present to the Finnish Government a list of three

candidates for Governor of the islands, and that the Governor be chosen from this list.

The report ends the procedure begun in July, 1920, when Swedo-Finnish relations over the Aland question became acute, and Earl Curzon referred the question to the League of Nations. On Sept. 18, 1920, it was announced that both Sweden and Finland had accepted the intervention of the League to settle the dispute. The League Council referred the question to three international judges, and the present report of the Aland Islands Commission is based on investigations by Mr. Elkus, former United States Ambassador to Constantinople; M. Calonder, former President of the Swiss Confederation, and Baron Beyens of Belgium.

The report states that of the 25,000 population of the islands, 96 per cent. are Swedish speaking, while 320,000, or 11 per cent., of the population of Finland are Swedes. Eighty of the islands are inhabited, and there are many uninhabited islets in the group, which form the "Skerry Garth" between the larger islands and the Finnish mainland. Impartial people are quoted as holding that it would be an exceedingly difficult matter to draw a frontier line through the Skerries, even if Sweden had a stronger case.

Guarding the entrance to the Gulf of Bothnia, it was the strategic importance of these islands that made the question of their possession a matter of European concern. Until 1808 Finland formed a part of Sweden. Then Russia acquired the Alands, along with the Finnish provinces of Sweden. The Swedes base their claim to the Alands on the fact that in 1917, about four months before Finland declared her complete independence of Russia, the Alanders met and expressed a wish to be reunited with Sweden, with virtual unanimity.

The League acts on the question under Articles III. and XI. of the Covenant, which the three international judges decided authorized the League to intervene. When the general import of the commission's report became known on April 20, M. Kersjantseff, the head of the Soviet Trade Delegation at Stockholm, declared in a newspaper article that the Soviet Government would acknowledge no settlement to which it was not a party. He stated that, although the Soviet Government claimed jurisdiction

over both the Alands and the rest of Finland as parts of Imperial Russia, it was disposed to surrender the islands to Sweden provided a suitable arrangement could be made with Stockholm.

DANISH COLONY IN GREENLAND

An event of romantic interest is the coming visit of the King Christian and Queen Alexandrine to Godhaab, Greenland, for the bicentenary celebration of the Danish Colony in Greenland by the missionary, Hans Egede. Never has a European sovereign visited this part of Danish America. Descendants of the Norse Viking colonists settled there in the eleventh century under Eric the Red—whose son, Leif the Lucky, discovered the North American Continent—and were exterminated by Eskimos in the sixteenth century. But in 1721 Hans Egede, with his wife, children, and forty followers, founded the Danish mission settlement at Godhaab, which has continued in being to this day. In 1774, by statute, the Greenland trade became a monopoly of the Danish crown, which took the mission under its protection, and the same system remains in force. The trade consists mostly of produce gathered by the natives at their hunting and fishing stations: blubber, whalebone, narwhal horns, walrus tusks, sealskins, bearskins, feathers, eiderdown, and dried cod. An Eskimo grand opera has recently been produced on the Copenhagen stage. Godhaab was visited in October, 1888, by Dr. Nansen and Otto Sveddrup when they completed the first crossing of Greenland after an adventurous journey by sledge and a tiny willow canoe.

NORWEGIAN SHIPS

The Legation of Norway at Washington has pointed out an inaccuracy in a statement in *CURRENT HISTORY* for May regarding the Norwegian claim against the United States Shipping Board. The amount offered by the board as compensation to the owners of the fifteen Norwegian vessels, which were under construction in American shipyards in 1917 and were requisitioned by the United States Government, was not \$14,000,000, but approximately \$2,600,000. The first named amount is the sum claimed by the Norwegian owners. The Legation states also that the Shipping Board has never placed a valuation of \$100 a ton on the ships.

EUROPE'S FINANCIAL SITUATION IN VIEW OF GERMANY'S INDEMNITY CAPITULATION

GERMANY'S complete compliance with the reparation demand of the allied Governments is, by long odds, the event of most vital importance, economically and financially, since the signing of the Armistice. It detracts from its significance no whit that the world had come to a firm determination that Germany must pay, sooner or later. Acceptance by her of the Allies' terms was received by the other nations with a metaphorical sigh of relief and the world's judgment of the value of her submission was recorded by rising exchanges, here and in London.

It is significant that there was no overwhelming enthusiasm at the news, either in London or in Paris. Each received it with a quiet satisfaction but, too, with a degree of reservation which disclosed each nation as wholly cognizant of the difficulties still ahead. As yet the German surrender has had a psychological value, but only a psychological one. It was like a legacy to a spendthrift, not unexpected to be sure, but arriving when he was at the end of his resources and nearly hopeless of the future.

It may be conceded unfair to reckon either France or England as at the end of its resources. They were most certainly not at that point, but it is a fact, nevertheless, that France, practically since the Armistice, has computed two budgets each year: one her regular budget offset by taxation, and the other an extraordinary budget against which was balanced nothing more tangible than the payments she meant some day to obtain from Germany. Now these payments are actually in sight and the sense of relief is accordingly great, although, at the moment, no plans have been devised for transforming Germany's acknowledgment of her debt and her promise to pay it into the actual gold coin which is all that can really help France, or England, for that matter.

Assumption that Germany will enter upon the series of payments laid down for

her by her conquerors is, probably, justified, although there is nothing like assurance felt that some alteration will not be effected before Germany shall have paid the last of the 132,000,000,000 gold marks now set as the total payment. The London newspaper comments reflected this the morning after news was received of Germany's acceptance of the terms. Thus the Daily Telegraph commented:

"We see no reason to doubt that Wirth and his colleagues are speaking and are willing to act in good faith, but we cannot allow ourselves to forget that a German signature is not always final. Germany has signed agreements before and then has tranquilly proceeded to violate their vital clauses. There must be no opening this time for exhibition of the same complaisant morality. We do not wish to suggest that Wirth and his colleagues have any desire to deceive us, but, in their own interests and those of their successors, it is as well that all possibility of deception should be eliminated."

The Daily Chronicle declared: "We shall next have to see that the new German Government performs what it has undertaken," and notes that the Reichstag carried the decision to accept the ultimatum by a majority of only 40 and that the whole of the Nationalist, or Military Party, and the Stinnes, or Big Business Group, voted against acceptance. It adds:

"With these uncompromising opponents representing forces normally dominant in Germany, and with many lukewarm elements among its temporary supporters, the Wirth Government will have great difficulty in performing its promises to us, and the only way for us to help it is to keep a firm attitude and leave the recalcitrants in no doubt that attempts to break the conditions will annul the effect of their acceptance. The same pressure which has tardily brought Germany back to the path of loyalty will be needed to keep her from straying out of it back to the Abdul Hamid diplomacy of the past eighteen months."

But with the threat of French occupation of the Ruhr still present—it will be recalled that General Degoutte, in transmitting the order to his troops, did not say the invasion had been abandoned but “postponed”—Germany may be counted on at least to begin carrying out the terms of the ultimatum. These include payment within twenty-five days after acceptance of the ultimatum of 1,000,000,000 marks in gold, or paper redeemable in gold, and the subsequent issue, on July 1 and Nov. 1, respectively, of bonds in the amount of 12,000,000,000 and 38,000,000,000 gold marks, which shall be bearer bonds secured by the whole assets of the German Empire and the German States, the interest on and the redemption of which are provided for by annual payments of 2,000,000,000 marks gold by Germany and 26 per cent. of the value of her exports as from last May 1, or, alternatively, an equivalent amount as fixed in accordance with any other index proposed by Germany and accepted by the Reparation Commission. In addition, bonds for 82,000,000,000 marks gold are to be handed to the Reparation Commission on Nov. 1 to be issued by the commission when it is deemed the interest and redemption can be provided for by the payments Germany is to make annually.

France's share of the indemnity is to be 52 per cent. So that, on the proposed basis, the most France can look for this year is 52 per cent. of 50,000,000,000 marks gold; in bonds, however, and not in cash. These 26,000,000,000 gold mark bonds would yield her, at 5 per cent., the coupon value of the bonds, an income of 1,300,000,000 marks gold, roughly equal, at present exchange rates, to 3,900,000,000 francs paper. This is a tremendous addition to France's income, certainly, but is it enough to accomplish the reconstruction plans which France has in contemplation and which she must effect if the country is to be brought back to the state of economic efficiency which existed before the German invasion? Recent official estimates fix the annual sum to be expended on reconstruction for the next ten years at 8,000,000,000 francs, pensions at 4,000,000,000 and the interest on loans already incurred for reconstruction, 2,000,000,000, a total of 14,000,000,000 francs absolutely necessary for the next ten years at least. The pensions continue, of

course, after that period. Now 3,900,000,000 francs is a long way from 14,000,000,000 francs, and the supposition is justified that France must seek to capitalize her share of the indemnity at once. And to capitalize it she must offer her bonds for sale in this market.

Three methods are open to her and none holds promise of more than moderate success. She may offer the bonds as she receives them for what they will bring; she may add the guarantee of the French Government, or she may issue a French Government bond with the German bonds as collateral security. In any of these events it is hard to see where she could offer them outside of the United States, and it is problematical in the extreme as to how any of these issues would fare here.

France, Belgium and Switzerland have lately been borrowing here on an 8 per cent. basis, so it may be put down as fact at once that no German bonds can hope to obtain better terms. Their coupons, however, are for 5 per cent., so an assumption that seems warranted is that the bonds could not sell here at that rate in any quantity at a better price than 60. Assuming that the whole block could be so disposed of, a thing which bankers here scarcely conceive imaginable, France would obtain for her 26,000,000,000 gold mark bonds this year only about 47,000,000,000 francs paper, a sum large enough in itself, to be sure, but not quite so large when measured in the light of France's needs and expectations. Certainly it is hard to see how France is to be relieved entirely of the financial embarrassment into which the war forced her.

But that is not to say that France will not regain her old place in the world, with her income once more adequate to meet her expenses and her money exchangeable for the moneys of other countries at a rate closely approaching the old par of exchange. France has banked heavily on the payments which Germany must make to her and now it seems that these payments are to be inadequate to defray the expenses which France has contemplated and must make, yet France's regeneration must be regarded as assured.

The assertion is heard often, in discussion of the financial relations between the Allies and the United States, that France

and England are nearly bankrupt, that there is little hope of their ever paying the interest on their debts to us, let alone the principal, and that the loans must ultimately be marked off the books as worthless. It is a commentary upon the economic knowledge of such critics that they nearly always denounce as subterfuge any statement on the part of Germany that she cannot pay the Allies the sums demanded.

It is a source of constant wonder how assurance can be felt of Germany's ability not only to recover from the effects of the war but also to make huge payments to the victors while doubt remains as to the capacity of England and France to regain their financial equilibrium. If Germany can pay off 132,000,000,000 marks gold, as she has now contracted to do, and at the same time regain a place among the commercial nations of the world, can it be doubted that England and France, who are to receive this reimbursement for damage done, are not equally capable of recovering from the ravages of the war?

Neither England nor France feels the slightest doubt of its ability so to do nor yet of the ability of Germany to fulfill the contract she has now entered into. In fact, to the faith that Germany will recover, and will recover quickly, may be attributed the disinclination of the French to see Upper Silesia return to German hands. The French dread the recrudescence of power in Germany, and they foresee a quick return with both the Ruhr and Upper Silesia in German hands. The mineral resources of these sections are sufficient to make Germany again powerful, and power in Germany is always a threat to France.

The figures on trade recently at hand support the French view. There is given below a summary of the foreign trade of France for the first two months of this year, which shows that Germany is sending more and more of her products into French territory. See accompanying table.

It will be seen that Germany is supplying an increasing part of the materials which France buys abroad. In the last twelve months imports from Germany more than doubled while imports from other countries except the French colonies were dropping to half their 1920 value. Germany is very clearly getting upon her feet commercially and the cry has already been raised in France that her ancient enemy is dumping her products on French soil. Figures for the first three months of the year, not yet available by places of origin and destination, show that French trade has fallen 23 per cent. from the same period of last year, imports having amounted to 5,359 million francs, as against more than 9 million in 1920, and exports having risen from 4½ million in 1920 to 5,458 million this year. Imports have fallen below exports, giving France the balance of trade which it is necessary for her to attain if her foreign debts are ever to be paid, but it is to be noted that importation of raw materials has fallen off tremendously due to the inertia in manufacturing, so that the true balance would probably be against France if her factories were in fuller operation.

The latest available figures for British trade show a similar reduction in value, but since imports have been reduced more than exports, the position of the country is slightly improved. Here are the figures for

IMPORTS

From—	First two months—	
	1921.	1920.
United States.....	771,056	1,289,640
Germany	573,043	257,731
Britain	484,208	1,218,832
Belgium	253,032	268,957
Argentina	123,913	297,150
Algeria	93,879	104,298
Italy	75,666	174,661
Brazil	74,782	144,123
Switzerland	63,341	115,915
Spain	58,204	161,392
Tunis	39,120	35,709
Morocco	17,508	25,950
Other foreign countries....	740,110	1,217,294
Other colonies, &c.....	228,537	244,714
Total, francs.....	3,596,399	5,646,355

EXPORTS

To—	First two months—	
	1921.	1920.
Belgium	792,617	427,140
Germany	442,280	186,070
Britain	437,602	477,648
United States.....	266,544	227,909
Switzerland	244,474	233,810
Algeria	205,266	79,494
Italy	200,183	165,615
Spain	131,637	100,605
Morocco	82,595	69,274
Argentina	63,322	34,570
Brazil	39,850	37,436
Tunis	36,482	54,576
Other foreign countries....	716,853	602,809
Other colonies, &c.....	122,357	61,022
Total, francs.....	3,782,062	2,757,777

the first four months of this year compared with similar periods in 1920 and 1919:

	1921.	1920.	1919.
Exports of British products. £287,646,786	£401,795,112	£205,849,035	
Re-exports of foreign goods	35,367,427	95,507,042	31,974,983
Total exp'ts.	£323,014,213	£497,302,154	£237,824,018
Imports	397,621,757	697,167,383	485,662,144
Excess of imports			
ports	£74,607,544	£199,865,129	£247,838,126

Exports of British products during the last twelve months compare as follows:

	1921.	1920.	1919.
April	£59,860,000	£106,251,692	£58,482,412
March	66,808,961	103,699,381	53,108,521
Feb.	68,221,731	85,964,130	46,914,921
Jan.	92,756,094	105,879,009	47,343,281
Dec.	96,630,523	90,858,233	38,282,035
Nov.	119,364,994	87,110,531	43,218,879
Oct.	112,295,474	79,061,145	42,820,724
Sept.	117,455,913	66,500,628	40,152,143
Aug.	114,903,335	74,773,597	43,522,237
July	137,451,904	65,315,691	43,644,398
June	110,352,350	64,562,465	45,026,281
May	119,319,422	64,344,632	44,967,221

Imports during the same period compare as follows:

	1921.	1920.	1919.
April	£89,990,000	£167,154,309	£112,065,823
March	93,741,654	176,647,515	105,752,979
Feb.	96,973,711	170,434,526	106,689,341
Jan.	117,050,783	183,342,988	134,546,436
Dec.	142,785,245	169,602,637	116,243,378
Nov.	144,260,183	143,545,201	116,770,580
Oct.	149,889,227	153,500,587	117,629,803
Sept.	152,992,339	148,588,572	97,995,688
Aug.	152,169,256	148,217,624	110,179,501
July	163,342,351	153,065,760	109,139,238
June	170,491,230	122,874,390	101,544,719
May	166,338,816	135,612,488	125,907,284

For the twelve past months the monthly excess of imports, after allowing for imported merchandise re-exported, compares as follows:

	1921.	1920.	1919.
April	£21,610,000	£40,495,198	£40,236,953
March	18,044,688	56,916,777	43,695,209
Feb.	20,747,677	61,866,607	54,655,263
Jan.	14,339,568	51,998,602	82,643,136
Dec.	33,455,666	52,584,473	74,848,636
Nov.	11,780,330	38,168,261	70,634,051
Oct.	21,460,193	54,797,840	72,690,437
Sept.	21,885,818	66,339,266	56,114,317
Aug.	23,897,577	58,133,102	64,397,929
July	8,041,968	75,992,955	63,472,534
June	34,014,952	46,347,975	54,403,711
May	26,754,316	59,772,504	77,539,855

The British foreign trade in April makes the following comparison with April of 1914:

	April, 1921.	April, 1914.
Exports of British prod'ts.	£59,860,000	£39,946,822
Re-exports of foreign goods	8,520,000	10,789,244
Total exports	£68,380,000	£50,736,066
Imports	89,990,000	61,626,830
Excess of imports	£21,610,000	£10,890,764

The last figures show that England is still far from the position she occupied before the outbreak of the war. It is not so much that her excess of imports is now twice what it was in 1914 as that the relation of imports to exports has altered. In 1914 imports were only about 22 per cent. in excess of exports. Now they are nearly 32 per cent. greater.

Detailed figures for Germany are not available now, but a German view of the Teutonic trade and economic situation is contained in a pamphlet recently issued by the Bank für Handel und Industrie of Berlin, which has a curious interest in the light of Germany's recent acquiescence to the demands of the Allies. In part it says:

"The outstanding features of Germany's political economy in 1920 were the incessant grave shortage of food and other necessities of life, as well as of important industrial raw materials, a lasting depreciation of currency, powerful rise in prices, continuous strikes and unrest among the working classes and, above all, the almost unbearable pressure exerted by the Peace of Versailles, which renders economic convalescence impossible, and the manner in which it is interpreted by the signatory powers.

"Every impartial political economist throughout the world is aware that the Peace Treaty in its present shape and interpretation is to serve two wholly contradictory ends. The indemnities demanded from Germany by far surpass, and this is even realized in various places in France today, the limit of Germany's economic ability. Even were the reparation claims greatly reduced, fulfillment would only be possible if Germany were enabled to attain her very highest standard of economic production by careful husbanding of her economic resources and their widest rational exploitation. For alone by the fruits of such application can the demands of the allied powers be regularly satisfied, whilst catering to the most moderate demands of the German people and presupposing a marked revival to set in for agriculture, cattle-breeding, the speeding-up of industrial productiveness, trade and commerce and, last but by no means least, saner conditions for the nation's finances. The throttling and crossing of the only proper

policy to be followed, viz., Germany's economic reconstruction, by our opponents, which would seem to be so opposed to their own interests, must certainly lead to the utter ruin of the economic foundations of the nation and the entire impoverishment of the people, traces of which are already noticeable. This would, however, not only strip the Entente of all chances of collecting the indemnity, but also would seriously affect the whole world, as has so often been pointed out by experts both here and abroad. The indemnities Germany has been forced to pay hitherto according to the peace provisos amid general disregard of her capabilities only too plainly prove where an adherence to these methods will lead to. Germany's trade balance has deteriorated, owing to these payments, which were only possible under huge financial losses, in a truly alarming manner, and this deterioration has resulted in gigantic inflation, huge depreciation in currency, rise in prices, which in turn have led to a disastrous increase of the indebtedness of the country, in other words of the people. If, on the other hand, the indemnifications were brought into line with the economic possibilities on a basis of a thorough reorganization of German economics from the very foundations upward, as has been impossible up to the present, that is, from the viewpoint of sufficient food and clothing for the general public down to a straightening of the State finances, then a steady improvement may set in for the rate of exchange, accompanied by a sinking tendency of prices and wages, as well as an increase in Germany's buying powers of foreign products, such as cotton, wool, coffee, and of all industrial and agricultural raw materials, products and food supplies.

"The determining factor consists in Germany's inability to at present and in future produce even a tithe of what is needed to render existence on a modest scale possible for her population and at the same time to satisfy the claims of the Peace Treaty and the supplementary agreements.

"The increase in capital that took place so extensively in industrial, commercial and traffic concerns during the preceeding year, principally towards its end, must not be regarded as a sign of economic affluence. It is not a question of increasing financial

means resultant on a rise in production and turn-over, as these are far smaller than those of the pre-war period, but only of an enforced adaptation to the depreciation of money, which strikingly exemplifies a trade and financial balance of unparalleled unfavorableness for Germany and a gigantic rise in prices and values. Naturally, only countries whose currency has suffered powerful devaluation need counteract this feature by a proportionate increase of working capital, and it suffices to point to Italy, whose rate of exchange is incomparably better than the German, and to Austria to witness a similar state of affairs, there in a lesser, here in an equal if not even heightened degree. We repeat, it is not a sign of growing wealth, but of increasing impoverishment, if Germany, with her depreciated values, has to resort to enormous new investments of capital. The money forthcoming for this purpose is not the result of a proportionate growth of national wealth, but is proof of a steadily increasing indebtedness of the people, which is revealed by the uninterrupted swelling of the floating Federal debts and the unceasing activity of the paper-money printing press, the creation of sham values."

Whatever else may be thought of this expression of the familiar German viewpoint, it must be acknowledged that in the last sentences the nail has been struck on the head. Paper-money printing presses are at the bottom of most of Europe's difficulties. The Germans deliberately elected to fight the war with the support of a paper-money printing press, planning to exact from the defeated Allies such an indemnity as would care for all the paper money which their presses had brought into existence. This plan, fortunately, failed, and now Germany must do the best she can to digest a circulation which bears only a fictitious relation to gold. France and England did not go to the lengths by far that Germany did, but their currencies were tremendously inflated, until today they are upon a gold basis only by courtesy of the fact that they still recognize the value and necessity of a gold standard and compute their money in terms of it. Actual exchange for gold of the paper tokens which circulate in England and France is almost as impracticable as it is in Germany.

Present-day bank statements of the three countries compared with similar statements in 1914 before the world had gone to war to illustrate the fearful dilution of the currency clearly:

BANK OF ENGLAND

	May 12, 1921.	May 13, 1914.
Circulation	£128,768,000	£28,702,655
Public deposits	14,860,000	18,610,699
Other deposits	113,560,000	38,774,384
Govt. securities	49,186,000	11,046,570
Other securities	78,903,000	38,456,772
Reserve	18,044,000	25,533,697
Proportion of reserve to liabilities	14.05%	44.50%
Bullion	128,363,000	35,806,352

BANK OF FRANCE

	May 12, 1921. Francs.	May 28, 1914. Francs.
Gold	5,519,000,000	3,730,625,000
Silver	217,700,000	632,650,000
Loans and discounts ..	4,944,700,000	2,327,775,000
Circulation	38,741,600,000	5,811,875,000
Treasury deposits	46,200,000	183,700,000
Other deposits	2,964,500,000	845,950,000

BANK OF GERMANY

	April 7, 1921. Marks.	May 30, 1914. Marks.
Gold	1,091,549,000	1,313,240,000
Silver	8,644,000	321,920,000
Treasury notes	22,941,114,000	60,780,000
Bills discounted	57,159,128,000	943,640,000
Notes in circulation ..	60,235,239,000	2,013,860,000
Deposits	17,450,580,000	842,340,000

Great Britain's circulation is four and a half times what it was in pre-war days, France's is nearly seven times as great and Germany's is almost thirty-five times the volume of pre-war circulation.

The foreign exchange rates accurately reflect this degeneration of the circulating medium in the various countries. It is customary to regard the foreign exchange rates as a measure of the balance of trade between nations and certainly an adverse trade balance will draw gold from a country and affect the value of its money in the creditor nation. But, in the days before the war, fluctuations in exchange were within a narrow range marked by the so-called gold points which were really the points at which it became cheaper actually to transport gold from one country to another than to pay the premium on exchange. In practice little gold had to be transferred for the rates automatically adjusted themselves as these points were approached.

The war brought new influences to bear on exchange, or rather, called attention

pointedly to the reactions which exchange had always prepared to undergo but to which it had never been submitted. This was the dilution of currency and the influx of paper money. As a nation's currency lost its relation to gold, the degree of its removal from the gold basis was accurately recorded in the exchange rates between that country and a country whose currency was still readily exchangeable for gold on demand. Thus the dollar has gone to a premium in practically every country of the globe and the pound sterling, which was arbitrarily fixed close to par throughout the war, dropped heavily to a little above \$3 when support was withdrawn and the pound was enabled to seek its own level.

As long ago as March of 1920 an examination of the gold position of the leading former belligerents and the state of their exchange with the United States disclosed the interesting facts that England, with a gold cover for its circulation of about 27 per cent., found its money at a discount of 25 per cent. in New York, or exactly the proportion by which the English gold cover fell short of the gold cover here, the United States then having in gold money about 36 per cent. of its paper circulation. France, computed on the same basis, had about 60 per cent. Italy, with $7\frac{1}{2}$ per cent. of our gold, found her exchange at a discount of 94 per cent.

The rule did not hold true universally, notably in some of the noncombatant countries, but its failure could be laid to the fact that these nations did not maintain a real gold market—in fact none did except the United States.

In view of this the recent rise in the exchange of London and Paris on New York must be attributed, partly to sentiment and partly to the supposition that payment by Germany will increase the gold holdings of these countries and thus strengthen their circulation, bringing their paper money in closer relation to gold. Inasmuch as this is something that cannot be brought about in a day it would not be surprising to see some softening of the exchanges which have now registered the satisfaction of the world that Germany is to make good, at least a part of the damage she wrought in the war. But if they soften they will harden again; there can be no doubt of that.